

Borough of Franklin Park

Financial Statements and Required Supplementary and Supplementary Information

Year Ended December 31, 2024
with Independent Auditor's Report

MaherDuessel

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BOROUGH OF FRANKLIN PARK

YEAR ENDED DECEMBER 31, 2024

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YEAR ENDED DECEMBER 31, 2024

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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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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.

Maher Duessel

Pittsburgh, Pennsylvania
August 5, 2025

8 MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

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, 2024. 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 2024 are as follows:

- The Borough's governmental activities net position decreased \$1,530,590 in 2024 to \$6,707,251. The Borough's business-type activities (Clover Hill Golf Fund) net position increased \$117,213 in 2024 to \$775,924.
- Unrestricted net position for the Borough's governmental and business-type activities was \$3,233,613 and \$418,940, respectively, as of December 31, 2024.
- The Borough's governmental funds fund balance decreased from \$6,167,170 at December 31, 2023 to \$4,648,953 at December 31, 2024 (25%).

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:

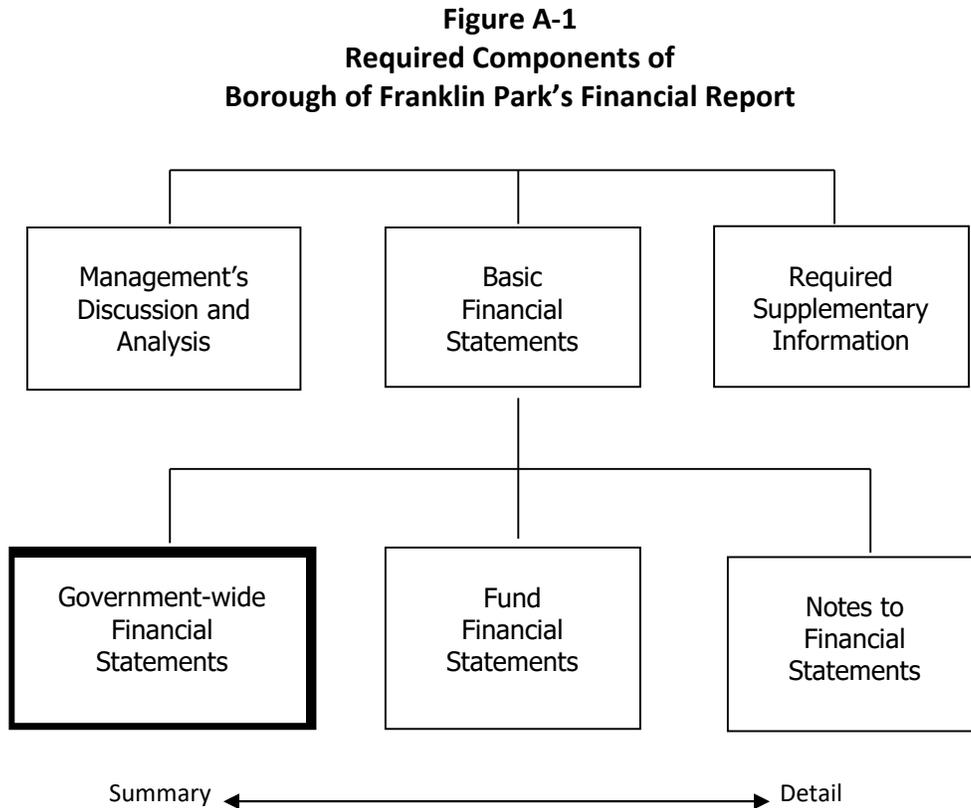


Figure A-2 summarizes the major features of the Borough's financial statements, including the portion of the Borough they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

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

	Government-wide Financial Statements	<u>Fund Financial Statements</u>	
		<u>Governmental</u>	<u>Fiduciary</u>
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"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
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, 2024 and 2023 is presented below:

Table A-1
Summary of Statement of Net Position
Years Ended December 31, 2024 and 2023

	December 31, 2024			December 31, 2023		
	Governmental Activities	Business-Type Activities	2024 Total	Governmental Activities	Business-Type Activities	2023 Total
Current assets	\$ 5,944,059	\$ 452,717	\$ 6,396,776	\$ 7,385,305	\$ 263,112	\$ 7,648,417
Capital assets	7,521,145	356,984	7,878,129	7,340,750	417,359	7,758,109
Other noncurrent assets	505,679	-	505,679			
Deferred outflows	144,208	-	144,208	897,488	-	897,488
Total Assets and Deferred Outflows	14,115,091	809,701	14,924,792	15,623,543	680,471	16,304,014
Current liabilities	1,392,428	33,777	1,426,205	742,544	21,760	764,304
Noncurrent liabilities	5,343,101	-	5,343,101	5,931,944	-	5,931,944
Deferred inflows	672,311	-	672,311	711,214	-	711,214
Total Liabilities and Deferred Inflows	7,407,840	33,777	7,441,617	7,385,702	21,760	7,407,462
Net Position:						
Net investment in capital assets	3,473,638	356,984	3,830,622	3,253,451	417,359	3,670,810
Restricted	-	-	-	8,321	-	8,321
Unrestricted	3,233,613	418,940	3,652,553	4,976,069	241,352	5,217,421
Total Net Position	\$ 6,707,251	\$ 775,924	\$ 7,483,175	\$ 8,237,841	\$ 658,711	\$ 8,896,552

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 2024 and 2023.

Table A-2
Condensed Statements of Activities
Years Ended December 31, 2024 and 2023

	December 31, 2024			December 31, 2023		
	Governmental Activities	Business-Type Activities	2024 Total	Governmental Activities	Business-Type Activities	2023 Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,122,967	\$ 668,158	\$ 1,791,125	\$ 1,092,867	\$ 596,888	\$ 1,689,755
Grants and contributions	1,164,117	-	1,164,117	1,920,397	-	1,920,397
General revenues:						
Real estate taxes	2,309,689	-	2,309,689	2,293,975	-	2,293,975
Other taxes	6,511,368	-	6,511,368	6,548,746	-	6,548,746
Interest	150,062	2,887	152,949	108,762	1,782	110,544
Miscellaneous	127,369	-	127,369	158,707	-	158,707
Total revenues	11,385,572	671,045	12,056,617	12,123,454	598,670	12,722,124
Expenses:						
Program expenses:						
General government	1,613,690	-	1,613,690	2,249,171	-	2,249,171
Public safety	5,284,276	-	5,284,276	4,363,484	-	4,363,484
Health and sanitation	26,308	-	26,308	18,723	-	18,723
Public works	3,647,142	-	3,647,142	3,973,404	-	3,973,404
Culture and recreation	2,252,967	-	2,252,967	1,772,221	-	1,772,221
Debt service	91,779	-	91,779	104,532	-	104,532
Transfers (in) out	-	-	-	-	-	-
Clover Hill Golf Course	-	553,832	553,832	-	526,106	526,106
Total expenses	12,916,162	553,832	13,469,994	12,481,535	526,106	13,007,641
Change in net position	(1,530,590)	117,213	(1,413,377)	(358,081)	72,564	(285,517)
Net position - beginning	8,237,841	658,711	8,896,552	8,595,922	586,147	9,182,069
Net position - ending	<u>\$ 6,707,251</u>	<u>\$ 775,924</u>	<u>\$ 7,483,175</u>	<u>\$ 8,237,841</u>	<u>\$ 658,711</u>	<u>\$ 8,896,552</u>

Total governmental activities revenues of \$12,123,454 were derived primarily from other taxes representing 57%. Real Estate taxes made up the next largest source of revenue at 20%.

Table A-3
Years ended December 31, 2024 and 2023
Net Cost of Governmental Activities

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program:				
General government	\$ 1,613,690	\$ 718,994	\$ 2,249,171	\$ 614,830
Public safety	5,284,276	4,902,088	4,363,484	3,980,153
Health and sanitation	26,308	26,039	18,723	1,992
Public works	3,647,142	3,071,561	3,973,404	3,399,288
Culture and recreation	2,252,967	1,818,617	1,772,221	1,367,476
Debt service	<u>91,779</u>	<u>91,779</u>	<u>104,532</u>	<u>104,532</u>
Total	<u>\$ 12,916,162</u>	<u>\$ 10,629,078</u>	<u>\$ 12,481,535</u>	<u>\$ 9,468,271</u>

Table A-4 reflects the activities of the Clover Hill Golf Course Fund, the business-type activities of the Borough for the years 2024 and 2023:

Table A-3
Years ended December 31, 2024 and 2023
Net Cost of Business-Type Activities

	<u>2024</u>		<u>2023</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Program:				
Golf course operations	<u>\$ 553,832</u>	<u>\$ (114,326)</u>	<u>\$ 526,106</u>	<u>\$ 70,782</u>

THE BOROUGH FUNDS

The following table depicts the revenues, expenditures, and changes in fund balance of the Borough's General Fund for the years 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Revenues:		
Taxes	\$ 8,816,716	\$ 8,832,148
Licenses and permits	158,572	166,646
Fines and forfeits	38,840	38,791
Interest and rents	175,901	120,735
Intergovernmental	814,589	1,566,356
Charges for Services	766,792	730,813
Miscellaneous	129,065	158,363
Total revenues:	<u>\$ 10,900,475</u>	<u>\$ 11,613,852</u>
Expenses:		
General government	\$ 1,596,802	\$ 1,611,491
Public safety	4,904,752	4,051,643
Health and sanitation	26,308	20,576
Public works	2,127,566	2,991,354
Culture and recreation	2,174,255	1,532,453
Debt service	456,571	464,324
Total expenses:	<u>\$ 11,286,254</u>	<u>\$ 10,671,841</u>
Other financing sources (uses):		
Proceeds from issuance of debt	\$ 325,000	\$ -
Refunds of prior year revenues	(2,365)	344
Refunds of prior year expenditures	669	-
Transfers out	(1,377,571)	(1,149,556)
Total other financing sources (uses):	<u>\$ (1,054,267)</u>	<u>\$ (1,149,212)</u>
Net change in fund balance:	<u>\$ (1,440,046)</u>	<u>\$ (207,201)</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 2024 and 2023:

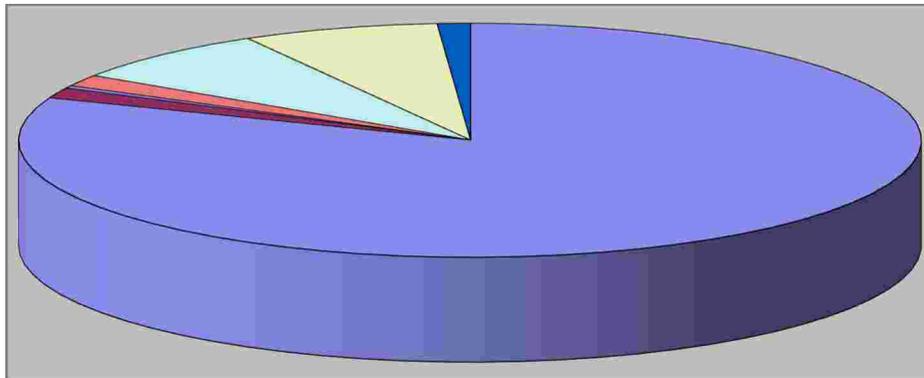
	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 668,158	\$ 596,888
Operating expenses	<u>(553,832)</u>	<u>(526,106)</u>
Operating income (loss)	114,326	70,782
Nonoperating revenues (expenses)	<u>2,887</u>	<u>1,782</u>
Change in net position	<u>\$ 117,213</u>	<u>\$ 72,564</u>

GOVERNMENTAL ACTIVITIES REVENUE

The following charts graphically depicts the governmental activities fund revenues and expenses for the fiscal year ended December 31, 2024.

Total revenues for all governmental activities in 2024 were \$11,382,927. Taxes account for 77% of the annual revenue. Taxes include real estate taxes, earned income tax, real estate transfer tax, local services tax, and regional asset district tax.

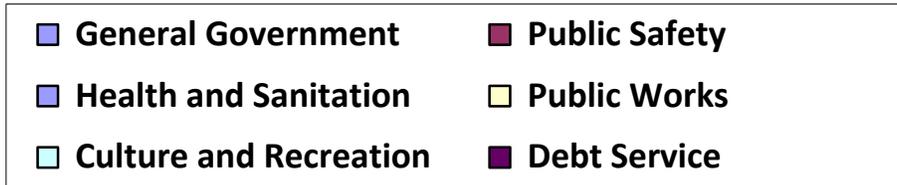
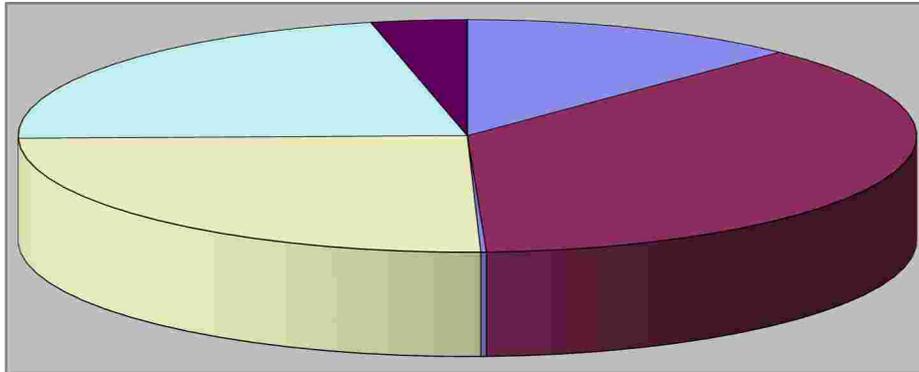
TOTAL GOVERNMENTAL ACTIVITIES REVENUES: \$11,382,927



GOVERNMENTAL ACTIVITIES EXPENSES

Total expenses for all governmental activities in 2024 were \$13,224,448. The expenses reflect the delivery of a wide range of services, with the two largest areas being public safety at 37% and public works at 25%. General government expenses were 12% of total expenses.

TOTAL GOVERNMENTAL ACTIVITIES EXPENSES: \$13,224,448



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2024, the Borough had \$7,521,145 invested in capital assets, including land, infrastructure, buildings, machinery and equipment and vehicles net of depreciation. The Borough had \$58,427 in capital additions during the 2024 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 \$3,622,507 on December 31, 2024.

PENSION TRUST FUNDS

The Borough of Franklin Park has two pension plans – police and general employees. On December 31, 2024, the assets of the plans were \$13,287,070. An actuarial valuation of both

plans determined that the net pension (asset) liability for the police and general employee pension plans was \$170,193 and \$1,059,264, respectively, as of December 31, 2024.

2025 BUDGET HIGHLIGHTS

Franklin Park Borough remains in a strong financial position, enabling the continuation of existing services, implementation of initiatives set forth by Borough Council and the Mayor, and the support of many new projects proposed by department directors. The 2025 Budget includes a new real estate tax rate of 1.59 mills (\$159 per \$100,000 of assessed value), an increase from the previous rate of 1.29 mills, which had remained unchanged since 2016. Despite the increase, Franklin Park will still maintain the fifth lowest real estate tax rate among the 130 municipalities in Allegheny County.

The 2025 Budget prioritizes infrastructure maintenance, public safety, and improvements to Acorn Park. In determining which projects to fund, Borough Council and the Mayor carefully balanced the needs of all departments. Considerations included the condition and performance of local roads, stormwater systems, recreation facilities, and core public safety services.

The General Fund budget reflects a 20% increase in expenditures, representing a responsible fiscal approach to meet the Borough's growing operational and capital needs. Notable projects planned for 2025 include:

- Paving over two miles of roadway
- Stream bank restoration and stormwater detention facility retrofits as required under the MS4 program
- Acorn Park improvements, partially funded by a DCNR grant
- Upgrades to equipment, buildings, and machinery

Franklin Park continues to invest in its core infrastructure and public assets, including sewer, water, roadways, stormwater systems, and recreational amenities.

Looking ahead, the Borough remains committed to pursuing external funding opportunities and advancing long-term capital planning. Ongoing initiatives such as the Comprehensive Recreation, Parks, and Open Space Plan, the active submission of grant applications, and continued stream and stormwater work reflect a sustained commitment to responsible asset management and a sustainable future for Franklin Park.

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
Regis Ebner, Finance Director
rebner@franklinparkborough.us
412-364-4115 ext. 303

BOROUGH OF FRANKLIN PARK

STATEMENT OF NET POSITION

DECEMBER 31, 2024

Assets	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 4,870,626	\$ 453,568	\$ 5,324,194
Taxes receivable, net	801,281	-	801,281
Other receivables	202,820	438	203,258
Prepaid expenses	68,043	-	68,043
Internal balances	1,289	(1,289)	-
Total current assets:	5,944,059	452,717	6,396,776
Noncurrent assets:			
Capital assets, not being depreciated	2,031,935	9,413	2,041,348
Capital assets, net of accumulated depreciation	5,489,210	347,571	5,836,781
Lease receivable	505,679	-	505,679
Total noncurrent assets:	8,026,824	356,984	8,383,808
Total Assets	13,970,883	809,701	14,780,584
Deferred Outflows of Resources			
Pension related	144,208	-	144,208
Total deferred outflows of resources:	144,208	-	144,208
Liabilities			
Current liabilities:			
Accounts payable	598,114	11,949	610,063
Accrued payroll and related benefits	278,651	4,991	283,642
Unearned revenue	-	15,805	15,805
Other current liabilities	9,434	1,032	10,466
Bonds payable, current	220,000	-	220,000
Notes payable, current	205,000	-	205,000
Compensated absences, current	81,229	-	81,229
Total current liabilities	1,392,428	33,777	1,426,205
Noncurrent liabilities:			
Bonds payable, non-current	3,082,507	-	3,082,507
Notes payable, non-current	540,000	-	540,000
Escrow deposits	454,147	-	454,147
Compensated absences, non-current	36,990	-	36,990
Net pension liability	1,229,457	-	1,229,457
Total noncurrent liabilities	5,343,101	-	5,343,101
Total Liabilities	6,735,529	33,777	6,769,306
Deferred Inflows of Resources			
Pension related	247,871	-	247,871
Lease related	424,440	-	424,440
Total deferred inflows of resources:	672,311	-	672,311
Net Position			
Net investment in capital assets	3,473,638	356,984	3,830,622
Restricted for:			
Highways and streets	-	-	-
Pension	-	-	-
Unrestricted - internal balances	-	-	-
Unrestricted	3,233,613	418,940	3,652,553
Total Net Position	\$ 6,707,251	\$ 775,924	\$ 7,483,175

See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

Functions/Programs	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	\$ 1,613,690	\$ 207,089	\$ 687,607	\$ (718,994)	\$ -	\$ (718,994)
Public safety	5,284,276	382,188	-	(4,902,088)	-	(4,902,088)
Health and sanitation	26,308	269	-	(26,039)	-	(26,039)
Public works	3,647,142	99,071	476,510	(3,071,561)	-	(3,071,561)
Culture and recreation	2,252,967	434,350	-	(1,818,617)	-	(1,818,617)
Interest on long-term debt	91,779	-	-	(91,779)	-	(91,779)
Total governmental activities	12,916,162	1,122,967	1,164,117	(10,629,078)	-	(10,629,078)
Business-type activities:						
Golf course	553,832	668,158	-	-	114,326	114,326
Total primary government	\$ 13,469,994	\$ 1,791,125	\$ 1,164,117	(10,629,078)	114,326	(10,514,752)
General revenues:						
Taxes:						
Real estate				2,309,689	-	2,309,689
Earned income				5,815,115	-	5,815,115
Real estate transfer				519,835	-	519,835
Local service				176,418	-	176,418
Interest				150,062	2,887	152,949
Miscellaneous				127,369	-	127,369
Total general revenues				9,098,488	2,887	9,101,375
				Change in Net Position	117,213	(1,413,377)
				(1,530,590)		
				Net Position:		
				Beginning of year	658,711	8,896,552
				End of year	\$ 775,924	\$ 7,483,175
				\$ 6,707,251		

See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,474,303	\$ 72,129	\$ 324,194	\$ 4,870,626
Taxes receivable, net	801,281	-	-	801,281
Lease receivable	505,679	-	-	505,679
Other receivables	202,820	-	-	202,820
Prepaid expenses	68,043	-	-	68,043
Due from other funds	333,907	381,039	-	714,946
Total Assets	\$ 6,386,033	\$ 453,168	\$ 324,194	\$ 7,163,395
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ 144,946	\$ 453,168	\$ -	\$ 598,114
Accrued payroll and related benefits	278,651	-	-	278,651
Due to other funds	389,463	-	324,194	713,657
Escrow deposits	454,147	-	-	454,147
Other liabilities	9,434	-	-	9,434
Total Liabilities	1,276,641	453,168	324,194	2,054,003
Deferred Inflows of Resources:				
Unavailable revenue - taxes	35,999	-	-	35,999
Lease related	424,440	-	-	424,440
Total Deferred Inflows of Resources	460,439	-	-	460,439
Fund Balance:				
Nonspendable	68,043	-	-	68,043
Assigned for:				
Fire equipment	290,471	-	-	290,471
Unassigned	4,290,439	-	-	4,290,439
Total Fund Balance	4,648,953	-	-	4,648,953
Total Deferred Inflows of Resources, Liabilities, and Fund Balance	\$ 6,386,033	\$ 453,168	\$ 324,194	\$ 7,163,395

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, 2024

Total Fund Balance - Governmental Funds				\$	4,648,953
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.					7,521,145
Property and other taxes receivable are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.					35,999
The net pension liability and deferred inflows and outflows of resources for pension are not recorded on the fund financial statements.					(1,333,120)
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	\$	(745,000)	
		Bonds payable		(3,302,507)	
		Compensated absences		(118,219)	(4,165,726)
					<u>(4,165,726)</u>
Total Net Position - Governmental Activities				\$	<u>6,707,251</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, 2024

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
Revenues:				
Taxes	\$ 8,816,716	\$ -	\$ -	\$ 8,816,716
Licenses and permits	158,572	-	-	158,572
Fines and forfeitures	38,840	-	-	38,840
Interest and rents	175,901	3,579	2,363	181,843
Intergovernmental	814,589	-	476,510	1,291,099
Charges for services	766,792	-	-	766,792
Miscellaneous	129,065	-	-	129,065
Total revenues	10,900,475	3,579	478,873	11,382,927
Expenditures:				
General government	1,596,802	21,014	-	1,617,816
Public safety	4,904,752	-	-	4,904,752
Health and sanitation	26,308	-	-	26,308
Public works	2,127,566	706,262	487,194	3,321,022
Culture and recreation	2,174,255	723,724	-	2,897,979
Debt service	456,571	-	-	456,571
Total expenditures	11,286,254	1,451,000	487,194	13,224,448
Excess (Deficiency) of Revenues over (under) Expenditures	(385,779)	(1,447,421)	(8,321)	(1,841,521)
Other Financing Sources (Uses):				
Proceeds from issuance of debt	325,000	-	-	325,000
Refund of prior year revenues	(2,365)	-	-	(2,365)
Refund of prior year expenditures	669	-	-	669
Transfers in	-	1,377,571	-	1,377,571
Transfers out	(1,377,571)	-	-	(1,377,571)
Total other financing sources (uses)	(1,054,267)	1,377,571	-	323,304
Net Change in Fund Balance	(1,440,046)	(69,850)	(8,321)	(1,518,217)
Fund Balance:				
Beginning of year	6,088,999	69,850	8,321	6,167,170
End of year	\$ 4,648,953	\$ -	\$ -	\$ 4,648,953

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, 2024

Net Change in Fund Balance - Governmental Funds \$ (1,518,217)

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 capital outlays exceeded depreciation expense in the current period. 180,395

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,341

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. (152,416)

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. 39,792

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. (84,485)

Change in Net Position of Governmental Activities \$ (1,530,590)

See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

STATEMENT OF NET POSITION

PROPRIETARY FUND

DECEMBER 31, 2024

	Clover Hill Golf Fund
Assets	
<hr/>	
Current assets:	
Cash and cash equivalents	\$ 453,568
Accounts receivable	438
Due from other funds	8,424
	<hr/>
Total current assets	462,430
	<hr/>
Noncurrent assets:	
Capital assets, not being depreciated	9,413
Capital assets, net of accumulated depreciation	347,571
	<hr/>
Total noncurrent assets	356,984
	<hr/>
Total Assets	\$ 819,414
	<hr/> <hr/>
Liabilities and Net Position	
<hr/>	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 11,949
Accrued payroll and related benefits	4,991
Other payables	1,032
Unearned revenue	15,805
Due to other funds	9,713
	<hr/>
Total liabilities	43,490
	<hr/>
Net Position:	
Net investment in capital assets	356,984
Unrestricted	418,940
	<hr/>
Total Net Position	775,924
	<hr/>
Total Liabilities and Net Position	\$ 819,414
	<hr/> <hr/>

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, 2024

	Clover Hill Golf Fund
Operating Revenues:	
<hr/>	
Green fees and cart rentals	\$ 668,158
	<hr/>
Operating Expenses:	
<hr/>	
Salaries and benefits	260,960
Administrative	41,347
Utilities	52,485
Materials and supplies	61,841
Repairs and maintenance	15,269
Equipment rental and purchases	3,128
Depreciation	118,802
	<hr/>
Total operating expenses	553,832
	<hr/>
Operating Income (Loss)	114,326
	<hr/>
Nonoperating Revenues (Expenses):	
<hr/>	
Interest income	2,887
	<hr/>
Change in Net Position	117,213
	<hr/>
Net Position:	
<hr/>	
Beginning of year	658,711
	<hr/>
End of year	\$ 775,924
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See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

STATEMENT OF CASH FLOWS PROPRIETARY FUND

YEAR ENDED DECEMBER 31, 2024

	Clover Hill Golf Fund
Cash Flows From Operating Activities:	
Cash received from customers	\$ 668,158
Cash paid to employees for wages and benefits	(260,959)
Cash paid to vendors for goods and services	(162,054)
Net cash provided by (used in) operating activities	245,145
Cash Flows From Noncapital Financing Activities:	
Transfers to and from other funds	9,713
Net cash provided by (used in) noncapital financing activities	9,713
Cash Flows From Capital and Related Financing Activities:	
Purchases of capital assets	(58,427)
Net cash provided by (used in) capital and related financing activities	(58,427)
Cash Flows From Investing Activities:	
Interest income	2,887
Net cash provided by (used in) investing activities	2,887
Net Increase (Decrease) in Cash and Cash Equivalents	199,318
Cash and Cash Equivalents:	
Beginning of year	254,250
End of year	\$ 453,568
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:	
Operating income (loss)	\$ 114,326
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	118,802
Changes in operating assets and liabilities:	
Accounts payable	9,448
Accrued payroll and related benefits	1
Other payables	405
Unearned revenue	2,163
Net cash provided by (used in) operating activities	\$ 245,145

See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

DECEMBER 31, 2024

	<u>Pension Trust Funds</u>
Assets	
<hr/>	
Cash and cash equivalents	\$ 97,449
Investments	<u>13,189,621</u>
Total Assets	<u><u>\$ 13,287,070</u></u>
Net Position	
<hr/>	
Restricted for pension benefits	<u><u>\$ 13,287,070</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, 2024

	Pension Trust Funds
Additions:	
<hr/>	
Contributions:	
State aid - contributed by Borough	\$ 408,951
Employer	203,351
Employee	88,011
	<hr/>
Total contributions	700,313
	<hr/>
Net investment income (loss):	
Net increase (decrease) in fair value of investments	814,842
Interest and dividends	446,303
	<hr/>
Total investment income (loss)	1,261,145
	<hr/>
Less: investment expense	(83,156)
	<hr/>
Net investment income (loss)	1,177,989
	<hr/>
Total additions	1,878,302
	<hr/>
Deductions:	
<hr/>	
Benefits/withdrawals	906,081
	<hr/>
Change in Net Position	972,221
	<hr/>
Net Position:	
<hr/>	
Beginning of year	12,314,849
	<hr/>
End of year	\$ 13,287,070
	<hr/> <hr/>

See accompanying notes to financial statements.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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, 2024

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, 2024

Budgets

In December 2023, the Borough adopted its 2024 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, 2024.

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, 2024

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, 2024

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 of 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

The Borough recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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. These days are eligible for payment at the employee's current pay rate upon separation from employment.

The Borough's policy permits employees to accumulate earned but unused sick leave, based upon their contract. Sick leave may only be used for actual sickness or physical disability. All sick leave lapses when employees leave the employ of the Borough and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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:

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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.

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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 has nonspendable fund balance as of December 31, 2024 for prepaid expenses.
- 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, 2024.
- 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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Adopted Pronouncements

GASB Statement No. 100 (Accounting Changes and Error Corrections) was adopted for the year ended December 31, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement had no significant impact on the Borough's financial statements for the year ended December 31, 2024.

GASB Statement No. 101, "*Compensated Absences*" was adopted for the year ended December 31, 2024. In addition to the value of unused vacation time owed to employees upon separation of employment, the Borough now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of this adoption were not material to beginning net position balances and were adjusted through the statement of activities.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 102 (Certain Risk Disclosures), 103 (Financial Reporting Model Improvements), and 104 (Disclosure of Certain Capital Assets). Management has not yet determined the impact of these statements on the financial statements.

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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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, 2024, \$3,589,167 of the Borough's bank balance of \$3,913,314 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 \$3,451,156 (governmental funds) and \$453,568 (proprietary funds) as of December 31, 2024.

In addition to the deposits noted above, cash and cash equivalents include funds with INVEST. As of December 31, 2024, the fair value of the INVEST funds was \$1,011,279.

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 by the Commonwealth. The Authority can withdraw funds from INVEST without limitations or fees. As of December 31, 2024, 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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The Borough can withdraw funds from the external investment pools. However, there are certain limitations placed on these withdrawals. For PLGIT-Class accounts, it requires no minimum balance and a one-day minimum investment period. For PLGIT/I-Class and Reserve-Class accounts, there is a minimum investment of \$50,000, one-day minimum investment period and limits redemptions or exchanges to two per calendar month.

As of December 31, 2024, the entire fair value of the investments in PLGIT of \$408,191 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 \$408,191 as of December 31, 2024. 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, 2024, 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.

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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The fair value of the Borough's Pension Trust Funds' investments at December 31, 2024 is as follows:

<u>Cash or Investment Type</u>	<u>Fair Market Value</u>
Cash and cash equivalents	\$ 97,449
Mutual funds	9,887,296
ETFs	<u>3,302,325</u>
Total cash and other investments	<u>13,287,070</u>
Total cash, cash equivalents, and investments reported on statement of fiduciary net position	<u>\$ 13,287,070</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, 2024, 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 custodial credit risk, because their existence is not evidenced by securities that exist in physical or book entry form.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

4. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2024 is as follows:

	Balance at January 1, 2024	Additions	Deletions	Balance at December 31, 2024
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 1,356,935	\$ 675,000	\$ -	\$ 2,031,935
Total capital assets, not being depreciated	1,356,935	675,000	-	2,031,935
Capital assets, being depreciated				
Buildings and improvements	6,467,533	239,424	-	6,706,957
Machinery and equipment	3,006,021	84,228	(150,471)	2,939,778
Vehicles	2,772,209	-	(272,745)	2,499,464
Infrastructure	17,526,812	489,624	-	18,016,436
Total capital assets, being depreciated	29,772,575	813,276	(423,216)	30,162,635
Less: accumulated depreciation for:				
Buildings and improvements	(5,199,333)	(296,309)	-	(5,495,642)
Machinery and equipment	(1,916,125)	(198,900)	-	(2,115,025)
Vehicles	(1,934,646)	(170,633)	2,926	(2,102,353)
Infrastructure	(14,738,656)	(221,749)	-	(14,960,405)
Total accumulated depreciation	(23,788,760)	(887,591)	2,926	(24,673,425)
Total capital assets, being depreciated, net	5,983,815	(74,315)	(420,290)	5,489,210
Governmental activities, capital assets, net	\$ 7,340,750	\$ 600,685	\$ (420,290)	\$ 7,521,145

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

Governmental activities:	
General government	\$ 70,790
Public safety	85,885
Public works	460,138
Culture and recreation	270,778
Total depreciation expense	\$ 887,591

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Capital asset activity for business-type activities for the year ended December 31, 2024 is as follows:

	Balance at January 1, 2024	Additions	Deletions	Balance at December 31, 2024
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,413	\$ -	\$ -	\$ 9,413
Total capital assets, not being depreciated	9,413	-	-	9,413
Capital assets, being depreciated				
Buildings and improvements	1,213,040	8,950	-	1,221,990
Machinery and equipment	531,282	49,477	-	580,759
Total capital assets, being depreciated	1,744,322	58,427	-	1,802,749
Less: accumulated depreciation for:				
Buildings and improvements	(1,000,800)	(65,497)	-	(1,066,297)
Machinery and equipment	(335,576)	(53,305)	-	(388,881)
Total accumulated depreciation	(1,336,376)	(118,802)	-	(1,455,178)
Total capital assets, being depreciated, net	407,946	(60,375)	-	347,571
Business-type activities, capital assets, net	\$ 417,359	\$ (60,375)	\$ -	\$ 356,984

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)

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 2024 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, 2024 were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Fund:				
General Fund	\$ 333,907	\$ 389,463	\$ -	\$ 1,377,571
Capital Reserve	381,039	-	1,377,571	-
Other Governmental Fund:	-	324,194	-	-
Major Enterprise Fund:				
Clover Hill Golf Fund	<u>8,424</u>	<u>9,713</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 723,370</u>	<u>\$ 723,370</u>	<u>\$ 1,377,571</u>	<u>\$ 1,377,571</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.

The Due to the General Fund from the Highway Aid Fund and the Clover Hill Golf Fund represents expenses funded by the General Fund that will be repaid in the following year. The Due to the Capital Reserve Fund from the General Fund represents expenses to be reimbursed by the General Fund in the following year. The transfer from the General Fund to the Capital Reserve fund was made to pay for current year capital expenditures.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 7th 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>\$ 505,679</u>	<u>\$ 424,440</u>	<u>\$ 20,868</u>	<u>\$ 19,276</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.

In 2024, the Borough issued a General Obligation Note, Series of 2024 totaling \$325,000 with an interest rate of 4.413% for the purchase of property. The Series 2024 Note is due in December 2029. The note is secured by a pledge of full faith, credit, and taxing power of the Borough.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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
2025	\$ 220,000	\$ 76,150	\$ 205,000	\$ 26,728
2026	235,000	65,150	205,000	19,303
2027	240,000	53,400	205,000	11,000
2028	250,000	48,600	65,000	4,739
2029	255,000	43,600	65,000	1,815
2030-2034	1,345,000	139,600	-	-
2035-2036	580,000	17,500	-	-
	\$ 3,125,000	\$ 444,000	\$ 745,000	\$ 63,585

Long-term liability activity for the year ended December 31, 2024 was as follows:

	Balance at January 1, 2024	Additions	Deletions	Balance at December 31, 2024	Due Within One Year
Governmental Activities:					
General obligation bonds payable	\$ 3,335,000	\$ -	\$ (210,000)	\$ 3,125,000	\$ 220,000
Bond premium	192,299	-	(14,792)	177,507	-
Direct borrowing - notes payable	560,000	325,000	(140,000)	745,000	205,000
Escrow deposits	363,251	106,745	(15,849)	454,147	-
Net pension liability	1,797,660	1,395,536	(1,963,739)	1,229,457	-
Compensated absences	33,734	84,485	-	118,219	-
	\$ 6,281,944	\$ 1,911,766	\$ (2,344,380)	\$ 5,849,330	\$ 425,000

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, 2024

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, 2024, Plan membership consisted of the following:

	<u>Police</u>	<u>General Employees</u>
Active employees	15	32
Retirees and beneficiaries currently receiving benefits	8	7
Terminated employees entitled to benefits but not yet receiving them	<u>0</u>	<u>2</u>
Total plan members	<u><u>23</u></u>	<u><u>41</u></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 service credit toward a future benefit and the calculated retirement benefit at the time the

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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, 2024, participating employees in the Police Plan contributed 2% of covered payroll. Union employees in the General Employees Plan were required to contribute 2% 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 covered payroll for the year ended December 31, 2024. During the year, the Borough made its required contributions of \$265,316 and \$346,986 to the Police and General Employees Plans, respectively, based upon the MMO.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Net Pension Liability (Asset)

Measurement Date and Actuarial Assumptions – The Borough’s net pension liability (asset) was measured as of December 31, 2024, 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, 2024.

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, 2024 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2023	\$ 8,638,677	\$ 8,191,991	\$ 446,686
Changes for the year:			
Service cost	293,995	-	293,995
Interest	568,142	-	568,142
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	265,316	(265,316)
Contributions - employee	-	40,635	(40,635)
Net investment income (loss)	-	884,852	(884,852)
Benefit payments, including refunds	(379,861)	(379,861)	-
Administrative expense	-	(52,173)	52,173
Net changes	482,276	758,769	(276,493)
Balances at December 31, 2024	\$ 9,120,953	\$ 8,950,760	\$ 170,193

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The changes in the net pension liability (asset) of the Borough for the General Employees Plan for the year ended December 31, 2024 were as follows:

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2023	\$ 5,473,832	\$ 4,122,858	\$ 1,350,974
Changes for the year:			
Service cost	129,642	-	129,642
Interest	321,206	-	321,206
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	346,986	(346,986)
Contributions - employee	-	47,376	(47,376)
Net investment income (loss)	-	376,293	(376,293)
Benefit payments, including refunds	(526,220)	(526,220)	-
Administrative expense	-	(28,097)	28,097
Net changes	(75,372)	216,338	(291,710)
Balances at December 31, 2024	\$ 5,398,460	\$ 4,339,196	\$ 1,059,264

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation performed on January 1, 2023, and rolled forward to December 31, 2024, 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.

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,

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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, 2024:

Asset Class	Target Allocation		Long-Term Expected Rate of Return	
	Police	General Employees	Police	General Employees
Fixed income	28.00%	28.00%	0.97%-4.32%	0.97%-4.32%
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%		

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, 2024, the annual money-weighted rate of return on the Police Plan and

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

General Employees and investments, net of investment expense, was 11.02% and 9.93%, respectively.

Concentrations – At December 31, 2024, 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	\$ 1,324,598	\$ 170,193	\$ (787,452)
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
General Employees Plan	\$ 1,590,540	\$ 1,059,264	\$ 603,405

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

For the year ended December 31, 2024, the Borough recognized pension expense of \$764,718. At December 31, 2024, 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	\$ 96,035	\$ 48,173	\$ 144,208
 Total deferred outflows of resources	 \$ 96,035	 \$ 48,173	 \$ 144,208
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 160,593	\$ 87,278	\$ 247,871
 Total deferred inflows of resources	 \$ 160,593	 \$ 87,278	 \$ 247,871

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
2025	\$ 148,238	\$ 63,975	\$ 212,213
2026	148,237	63,974	212,211
2027	(187,434)	(89,083)	(276,517)
2028	(92,310)	(42,033)	(134,343)
2029	(19,826)	(12,835)	(32,661)
Thereafter	(61,463)	(23,103)	(84,566)
	 \$ (64,558)	 \$ (39,105)	 \$ (103,663)

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, 2024

supplement the General Employees' Plan. During 2024, the Borough contributed \$49,850 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 2024, the Borough received a dividend/refund in the amount of \$84,289. 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.

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.

BOROUGH OF FRANKLIN PARK

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 2024, the Borough provided approximately \$127,000 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 \$646,459 to the Company for various operational and capital needs, including the purchase of a new fire apparatus. 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.

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 \$388,574 for the year ended December 31, 2024.

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, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 9,055,500	\$ 9,055,500	\$ 8,816,716	\$ (238,784)
Licenses and permits	182,200	182,200	158,572	(23,628)
Fines and forfeitures	40,000	40,000	38,840	(1,160)
Interest and rents	134,300	134,300	175,901	41,601
Intergovernmental	1,933,500	1,933,500	814,589	(1,118,911)
Charges for services	635,600	635,600	766,792	131,192
Miscellaneous	93,000	93,000	129,065	36,065
Total revenues	12,074,100	12,074,100	10,900,475	(1,173,625)
Expenditures:				
General government	1,754,200	1,754,200	1,596,802	157,398
Public safety	5,279,800	5,279,800	4,904,752	375,048
Health and sanitation	19,000	19,000	26,308	(7,308)
Public works	2,756,100	2,756,100	2,127,566	628,534
Culture and recreation	1,556,600	1,556,600	2,174,255	(617,655)
Debt service	456,750	456,750	456,571	179
Total expenditures	11,822,450	11,822,450	11,286,254	536,196
Excess (Deficiency) of Revenues over Expenditures	251,650	251,650	(385,779)	(637,429)
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	60,500	60,500	-	(60,500)
Proceeds from issuance of debt	-	-	325,000	325,000
Refund of prior year revenues	(3,500)	(3,500)	(2,365)	1,135
Refund of prior year expenditures	1,500	1,500	669	(831)
Transfers in (out)	(3,958,800)	(3,958,800)	(1,377,571)	2,581,229
Total other financing sources (uses)	(3,900,300)	(3,900,300)	(1,054,267)	2,846,033
Net Change in Fund Balance	\$ (3,648,650)	\$ (3,648,650)	(1,440,046)	\$ 2,208,604
Fund Balance:				
Beginning of year			6,088,999	
End of year			<u>\$ 4,648,953</u>	

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*

	2024	2023	2022
Total Pension Liability:			
Service cost	\$ 293,995	\$ 305,338	\$ 263,777
Interest	568,142	535,393	509,805
Differences between expected and actual experience	-	(200,245)	-
Benefit payments, including refunds of employee contributions	(379,861)	(206,486)	(188,918)
Net Changes in Total Pension Liability	482,276	434,000	584,664
Total Pension Liability - Beginning	8,638,677	8,204,677	7,620,013
Total Pension Liability - Ending (a)	\$ 9,120,953	\$ 8,638,677	\$ 8,204,677
Plan Fiduciary Net Position:			
Contributions - employer	\$ 265,316	\$ 338,433	\$ 310,511
Contributions - employee	40,635	71,416	34,671
Net investment income	884,852	935,816	(1,148,254)
Benefit payments, including refunds of employee contributions	(379,861)	(206,486)	(188,918)
Administrative expense	(52,173)	(39,889)	(42,170)
Net Change in Plan Fiduciary Net Position	758,769	1,099,290	(1,034,160)
Plan Fiduciary Net Position - Beginning	8,191,991	7,092,701	8,126,861
Plan Fiduciary Net Position - Ending (b)	\$ 8,950,760	\$ 8,191,991	\$ 7,092,701
Net Pension Liability (Asset) - Ending (a-b)	\$ 170,193	\$ 446,686	\$ 1,111,976
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.13%	94.83%	86.45%
Covered Payroll	\$ 1,905,442	\$ 1,701,220	\$ 1,707,717
Net Pension Liability (Asset) as a Percentage of Covered Payroll	8.93%	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*

	2024	2023	2022
Total Pension Liability:			
Service cost	\$ 129,642	\$ 129,835	\$ 155,619
Interest	321,206	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	(526,220)	(101,159)	(100,168)
Net Changes in Total Pension Liability	(75,372)	769,478	323,198
Total Pension Liability - Beginning	5,473,832	4,704,354	4,381,156
Total Pension Liability - Ending (a)	\$ 5,398,460	\$ 5,473,832	\$ 4,704,354
Plan Fiduciary Net Position:			
Contributions - employer	\$ 346,986	\$ 301,880	\$ 286,021
Contributions - employee	47,376	44,283	38,357
Net investment income	376,293	443,392	(532,864)
Benefit payments, including refunds of employee contributions	(526,220)	(101,159)	(100,168)
Administrative expense	(28,097)	(32,885)	(32,950)
Net Change in Plan Fiduciary Net Position	216,338	655,511	(341,604)
Plan Fiduciary Net Position - Beginning	4,122,858	3,467,347	3,808,951
Plan Fiduciary Net Position - Ending (b)	\$ 4,339,196	\$ 4,122,858	\$ 3,467,347
Net Pension Liability (Asset) - Ending (a-b)	\$ 1,059,264	\$ 1,350,974	\$ 1,237,007
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.38%	75.32%	73.71%
Covered Payroll	\$ 2,403,574	\$ 2,251,672	\$ 2,083,131
Net Pension Liability (Asset) as a Percentage of Covered Payroll	44.07%	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*

POLICE PENSION PLAN:	2024	2023	2022
Schedule of Borough Contributions			
Actuarially determined contribution	\$ 265,316	\$ 338,433	\$ 308,917
Contributions	265,316	338,433	308,917
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 1,905,442	\$ 1,701,220	\$ 1,707,717
Contributions as a percentage of covered payroll	13.92%	19.89%	18.09%
Investment Returns			
Annual money-weighted rate of return, net of investment expense	11.02%	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*

GENERAL EMPLOYEE'S PENSION PLAN:	2024	2023	2022
Schedule of Borough Contributions			
Actuarially determined contribution	\$ 346,986	\$ 301,880	\$ 286,020
Contributions	346,986	301,880	286,020
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 2,403,574	\$ 2,251,672	\$ 2,083,131
Contributions as a percentage of covered payroll	14.44%	13.41%	13.73%
Investment Returns			
Annual money-weighted rate of return, net of investment expense	9.93%	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, 2024

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	1/1/2023	1/1/2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	15 Years	7 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

SUPPLEMENTARY INFORMATION

BOROUGH OF FRANKLIN PARK

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2024

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.

BOROUGH OF FRANKLIN PARK

COMBINING BALANCE SHEET

GENERAL FUND

DECEMBER 31, 2024

	General Fund	Fire Protection Fund	Total General Fund
Assets			
Cash and cash equivalents	\$ 4,173,171	\$ 301,132	\$ 4,474,303
Taxes receivable, net	801,281	-	801,281
Lease receivable	505,679	-	505,679
Prepaid expenses	68,043	-	68,043
Interfunds	333,907	-	333,907
Other receivables	202,820	-	202,820
Total Assets	\$ 6,084,901	\$ 301,132	\$ 6,386,033
Liabilities, Deferred Inflows of Resources, and Fund Balance			
Liabilities:			
Accounts payable	\$ 134,285	\$ 10,661	\$ 144,946
Accrued payroll and related benefits	278,651	-	278,651
Due to other funds	389,463	-	389,463
Escrow deposits	454,147	-	454,147
Other liabilities	9,434	-	9,434
Total Liabilities	1,265,980	10,661	1,276,641
Deferred Inflows of Resources:			
Unavailable revenue - taxes	35,999	-	35,999
Lease related	424,440	-	424,440
Total Deferred Inflows of Resources	460,439	-	460,439
Fund Balance:			
Nonspendable	68,043	-	68,043
Assigned for:			
Fire equipment	-	290,471	290,471
Unassigned	4,290,439	-	4,290,439
Total Fund Balance	4,358,482	290,471	4,648,953
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,084,901	\$ 301,132	\$ 6,386,033

BOROUGH OF FRANKLIN PARK

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

GENERAL FUND

YEAR ENDED DECEMBER 31, 2024

	General Fund	Fire Protection Fund	Total General Fund
Revenues:			
Taxes	\$ 8,816,716	\$ -	\$ 8,816,716
Licenses and permits	158,572	-	158,572
Fines and forfeitures	38,840	-	38,840
Interest and rents	171,242	4,659	175,901
Intergovernmental	814,589	-	814,589
Charges for services	766,792	-	766,792
Miscellaneous	129,065	-	129,065
Total revenues	10,895,816	4,659	10,900,475
Expenditures:			
General government	1,596,802	-	1,596,802
Public safety	4,004,828	899,924	4,904,752
Health and sanitation	26,308	-	26,308
Public works	2,127,566	-	2,127,566
Culture and recreation	2,174,255	-	2,174,255
Debt service	159,654	296,917	456,571
Total expenditures	10,089,413	1,196,841	11,286,254
Excess (Deficiency) of Revenues over Expenditures	806,403	(1,192,182)	(385,779)
Other Financing Sources (Uses):			
Proceeds from issuance of debt	325,000	-	325,000
Refund of prior year revenues	(2,365)	-	(2,365)
Refund of prior year expenditures	669	-	669
Transfers in (out)	(1,924,030)	546,459	(1,377,571)
Total other financing sources (uses)	(1,600,726)	546,459	(1,054,267)
Net Change in Fund Balance	(794,323)	(645,723)	(1,440,046)
Fund Balance:			
Beginning of year	5,152,805	936,194	6,088,999
End of year	\$ 4,358,482	\$ 290,471	\$ 4,648,953

BOROUGH OF FRANKLIN PARK

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

DECEMBER 31, 2024

	General Employees	Police	Total
<hr/> Assets <hr/>			
Cash and cash equivalents	\$ 61,892	\$ 35,557	\$ 97,449
Investments	4,273,303	8,916,318	13,189,621
Total Assets	<hr/> 4,335,195	<hr/> 8,951,875	<hr/> 13,287,070
<hr/> Net Position <hr/>			
Restricted for pension benefits	<hr/> <u>\$ 4,335,195</u>	<hr/> <u>\$ 8,951,875</u>	<hr/> <u>\$ 13,287,070</u>

BOROUGH OF FRANKLIN PARK

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2024

	General Employees	Police	Total
Additions:			
<hr/>			
Contributions:			
State aid - contributed by the Borough	\$ 195,038	\$ 213,913	\$ 408,951
Employer	151,948	51,403	203,351
Employee	47,376	40,635	88,011
	<hr/>	<hr/>	<hr/>
Total contributions	394,362	305,951	700,313
	<hr/>	<hr/>	<hr/>
Net investment income (loss):			
Net increase (decrease) in fair value of investments	232,681	582,161	814,842
Interest and dividends	143,612	302,691	446,303
	<hr/>	<hr/>	<hr/>
Total investment income (loss)	376,293	884,852	1,261,145
	<hr/>	<hr/>	<hr/>
Less: investment expense	32,098	51,058	83,156
	<hr/>	<hr/>	<hr/>
Net investment income (loss)	344,195	833,794	1,177,989
	<hr/>	<hr/>	<hr/>
Total additions	738,557	1,139,745	1,878,302
	<hr/>	<hr/>	<hr/>
Deductions:			
<hr/>			
Benefits/withdrawals	526,220	379,861	906,081
	<hr/>	<hr/>	<hr/>
Change in Net Position	212,337	759,884	972,221
	<hr/>	<hr/>	<hr/>
Net Position:			
<hr/>			
Beginning of year	4,122,858	8,191,991	12,314,849
	<hr/>	<hr/>	<hr/>
End of year	\$ 4,335,195	\$ 8,951,875	\$ 13,287,070
	<hr/>	<hr/>	<hr/>