

# **Borough of Franklin Park**

## **Modified Cash Basis Financial Statements and Supplementary Information**

**Year Ended December 31, 2021  
with Independent Auditor's Report**

**MaherDuessel**

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# BOROUGH OF FRANKLIN PARK

YEAR ENDED DECEMBER 31, 2021

## TABLE OF CONTENTS

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### **Independent Auditor's Report**

### **Basic Financial Statements (Modified Cash Basis):**

#### Government-wide Financial Statements:

Statement of Net Position	1
Statement of Activities	2

#### Fund Financial Statements:

Balance Sheet - Governmental Funds	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
Statement of Net Position – Proprietary Fund	5
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	6
Statement of Fiduciary Net Position - Fiduciary Funds	7
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	8

Notes to Financial Statements	9
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### **Supplementary Information:**

Budgetary Comparison Schedule – General Fund	25
Combining Balance Sheet – General Fund	26
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund	27

# **BOROUGH OF FRANKLIN PARK**

YEAR ENDED DECEMBER 31, 2021

## TABLE OF CONTENTS

---

(Continued)

Combining Statement of Fiduciary Net Position – Pension Trust Funds	28
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	29

## Independent Auditor's Report

**Borough Council  
Borough of Franklin Park**

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying modified cash basis 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, 2021, and the related notes to the financial statements, which collectively comprise the Borough's modified cash basis 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 modified cash basis 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, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in the Notes of the Financial Statements.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, 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.

#### Basis of Accounting

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in the Notes of the financial

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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.

### 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  
March 30, 2022

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF NET POSITION (MODIFIED CASH BASIS)

DECEMBER 31, 2021

<b>Assets</b>	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents - unrestricted	\$ 4,903,848	\$ 196,379	\$ 5,100,227
Cash and cash equivalents - restricted	1,092,041	-	1,092,041
Internal balances	128,077	(128,077)	-
<b>Total Assets</b>	<b>\$ 6,123,966</b>	<b>\$ 68,302</b>	<b>\$ 6,192,268</b>
<b>Liabilities and Net Position</b>			
<b>Liabilities:</b>			
Escrow deposits	\$ 402,584	\$ -	\$ 402,584
Total Liabilities	402,584	-	402,584
<b>Net Position:</b>			
Restricted	689,457	-	689,457
Unrestricted - other	5,031,925	68,302	5,100,227
Total Net Position	5,721,382	68,302	5,789,684
<b>Total Liabilities and Net Position</b>	<b>\$ 6,123,966</b>	<b>\$ 68,302</b>	<b>\$ 6,192,268</b>

The notes to financial statements (modified cash basis) are an integral part of this statement.

**BOROUGH OF FRANKLIN PARK**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
YEAR ENDED DECEMBER 31, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
General government	\$ 1,444,600	\$ 238,961	\$ 1,097,504	\$ (108,135)	\$ -	\$ (108,135)
Public safety	3,872,684	262,821	-	(3,609,863)	-	(3,609,863)
Health and sanitation	34,189	344	31,977	(1,868)	-	(1,868)
Public works	3,247,967	104,844	429,950	(2,713,173)	-	(2,713,173)
Culture and recreation	1,442,729	263,074	2,830	(1,176,825)	-	(1,176,825)
Debt service	4,471,806	-	-	(4,471,806)	-	(4,471,806)
Total governmental activities	<u>14,513,975</u>	<u>870,044</u>	<u>1,562,261</u>	<u>(12,081,670)</u>	<u>-</u>	<u>(12,081,670)</u>
<b>Business-type activities:</b>						
Golf course	382,985	533,413	-	-	150,428	150,428
Total primary government	<u>\$ 14,896,960</u>	<u>\$ 1,403,457</u>	<u>\$ 1,562,261</u>	<u>(12,081,670)</u>	<u>150,428</u>	<u>(11,931,242)</u>
<b>General revenues:</b>						
<b>Taxes:</b>						
Real estate				2,286,551	-	2,286,551
Earned income				5,163,171	-	5,163,171
Real estate transfer				653,791	-	653,791
Local service				161,649	-	161,649
Regional asset district				201,210	-	201,210
Interest				6,303	217	6,520
Miscellaneous				80,756	-	80,756
Proceeds from issuance of debt				3,955,000	-	3,955,000
Bond premium				221,883	-	221,883
Total general revenues				<u>12,730,314</u>	<u>217</u>	<u>12,730,531</u>
				<b>Change in Net Position</b>	<b>150,645</b>	<b>799,289</b>
				<b>Net Position:</b>		
				Beginning of year	<u>(82,343)</u>	<u>4,990,395</u>
				End of year	<u>\$ 68,302</u>	<u>\$ 5,789,684</u>

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## BALANCE SHEET (MODIFIED CASH BASIS)

### GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents - unrestricted	\$ 4,776,164	\$ 127,684	\$ -	\$ 4,903,848
Cash and cash equivalents - restricted	1,088,033	-	4,008	1,092,041
Due from other funds	224,735	-	-	224,735
<b>Total Assets</b>	<b>\$ 6,088,932</b>	<b>\$ 127,684</b>	<b>\$ 4,008</b>	<b>\$ 6,220,624</b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ 96,658	\$ -	\$ 96,658
Escrow deposits	402,584	-	-	402,584
<b>Total Liabilities</b>	<b>402,584</b>	<b>96,658</b>	<b>-</b>	<b>499,242</b>
<b>Fund Balance:</b>				
Restricted for:				
Government services	685,449	-	-	685,449
Highways, roads, and streets	-	-	4,008	4,008
Assigned for:				
Capital projects	-	31,026	-	31,026
Fire equipment	1,018,511	-	-	1,018,511
Unassigned	3,982,388	-	-	3,982,388
<b>Total Fund Balance</b>	<b>5,686,348</b>	<b>31,026</b>	<b>4,008</b>	<b>5,721,382</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 6,088,932</b>	<b>\$ 127,684</b>	<b>\$ 4,008</b>	<b>\$ 6,220,624</b>

The notes to financial statements (modified cash basis) are an integral part of this statement.

## BOROUGH OF FRANKLIN PARK

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)

#### GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2021

	General Fund	Capital Reserve Fund	Other Governmental Fund	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 8,466,372	\$ -	\$ -	\$ 8,466,372
Licenses and permits	190,187	-	-	190,187
Fines and forfeitures	42,032	-	-	42,032
Interest and rents	30,943	92	97	31,132
Intergovernmental	1,226,376	-	429,950	1,656,326
Charges for services	518,931	-	-	518,931
Miscellaneous	112,142	-	-	112,142
Total revenues	10,586,983	92	430,047	11,017,122
<b>Expenditures:</b>				
General government	1,437,135	7,465	-	1,444,600
Public safety	3,716,862	155,822	-	3,872,684
Health and sanitation	34,189	-	-	34,189
Public works	2,655,582	162,848	429,537	3,247,967
Culture and recreation	1,277,606	165,123	-	1,442,729
Debt service	4,471,806	-	-	4,471,806
Total expenditures	13,593,180	491,258	429,537	14,513,975
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(3,006,197)	(491,166)	510	(3,496,853)
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	53,631	-	-	53,631
Proceeds from issuance of debt	3,955,000	-	-	3,955,000
Bond premium	221,883	-	-	221,883
Refund of prior year revenues	(86,241)	-	-	(86,241)
Refund of prior year expenditures	1,224	-	-	1,224
Total other financing sources (uses)	4,145,497	-	-	4,145,497
<b>Net Change in Fund Balance</b>	1,139,300	(491,166)	510	648,644
<b>Fund Balance:</b>				
Beginning of year	4,547,048	522,192	3,498	5,072,738
End of year	\$ 5,686,348	\$ 31,026	\$ 4,008	\$ 5,721,382

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF NET POSITION (MODIFIED CASH BASIS)

### PROPRIETARY FUND

DECEMBER 31, 2021

	<u>Clover Hill Golf Fund</u>
<b>Assets</b>	
<hr/>	
Cash and cash equivalents	<u>\$ 196,379</u>
<b>Liabilities and Net Position</b>	
<hr/>	
Liabilities:	
<hr/>	
Due to other funds	<u>\$ 128,077</u>
Net Position:	
<hr/>	
Unrestricted	<u>68,302</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 196,379</u></u>

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (MODIFIED CASH BASIS)

### PROPRIETARY FUND

YEAR ENDED DECEMBER 31, 2021

	<u>Clover Hill Golf Fund</u>
<b>Operating Revenues:</b>	
<u>Green fees and cart rentals</u>	<u>\$ 533,413</u>
<b>Operating Expenses:</b>	
Salaries and benefits	244,549
Administrative	26,289
Utilities	26,875
Materials and supplies	58,746
Repairs and maintenance	8,050
Equipment rental and purchases	<u>18,476</u>
Total operating expenses	<u>382,985</u>
<b>Operating Income (Loss)</b>	150,428
<b>Nonoperating Revenues (Expenses):</b>	
<u>Interest income</u>	<u>217</u>
<b>Change in Net Position</b>	150,645
<b>Net Position:</b>	
<u>Beginning of year</u>	<u>(82,343)</u>
End of year	<u><u>\$ 68,302</u></u>

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF FIDUCIARY NET POSITION (MODIFIED CASH BASIS)

### FIDUCIARY FUNDS

DECEMBER 31, 2021

	<u>Pension Trust Funds</u>
<b>Assets</b>	
<hr/>	
Cash and cash equivalents	\$ 193,802
Investments	11,742,010
	<hr/>
<b>Total Assets</b>	<b>\$ 11,935,812</b>
	<hr/> <hr/>
<b>Net Position</b>	
<hr/>	
Restricted for pension benefits	\$ 11,935,812
	<hr/> <hr/>

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (MODIFIED CASH BASIS)

### FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	<u>Pension Trust Funds</u>
<b>Additions:</b>	
Contributions:	
State aid - contributed by Borough	\$ 292,634
Employer	265,689
Employee	<u>73,841</u>
Total contributions	<u>632,164</u>
Net investment income (loss):	
Net increase (decrease) in fair value of investments	789,764
Interest and dividends	<u>496,368</u>
Total investment income (loss)	1,286,132
Less: investment expense	<u>57,869</u>
Net investment income (loss)	<u>1,228,263</u>
Total additions	<u>1,860,427</u>
<b>Deductions:</b>	
Benefits/withdrawals	<u>537,257</u>
<b>Change in Net Position</b>	1,323,170
<b>Net Position:</b>	
Beginning of year	<u>10,612,642</u>
End of year	<u><u>\$ 11,935,812</u></u>

The notes to financial statements (modified cash basis) are an integral part of this statement.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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### 1. The Reporting Entity

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

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

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

### 2. Summary of Significant Accounting Policies

#### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position (modified cash basis) and the statement of activities (modified cash basis)) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities (modified cash basis) demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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directly benefit from services or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues.

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

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

Basis of accounting refers to the timing of the recognition of amounts in the financial statements. The Borough maintains its financial statements on the modified cash basis, which is a basis other than accounting principles generally accepted in the United States of America. Accordingly, amounts are generally recognized when received rather than when earned and when paid rather than when obligations were incurred, as under the cash basis of accounting. Additionally, the basis of accounting has been modified from the cash basis of accounting to present liabilities related to payroll, escrow deposits held on behalf of others and interfund advances, as well as unrealized gains and losses on investments.

The accounts of the Borough are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, fund equity, revenues, and expenditures or expenses, as appropriate.

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*.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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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 modified 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.

### Budgets

In December 2020, the Borough adopted its 2021 annual budget for its General Fund in accordance with the provisions of the Borough Code. The General Fund budget was prepared utilizing the modified cash 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

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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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 supplementary information are the original and final amounts for the year ended December 31, 2021.

### 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.

### Investments – Pension Funds

The Pension Trust Funds' deposits and investments are held separately from those of the Borough and are stated at fair value.

### Escrow Deposits

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

### Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt or capital lease proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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### Net Position

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

- Restricted - This component of net position consists of constraints placed on assets through external restrictions. Restricted net position as of December 31, 2021 consists of unspent grant funds received from the American Rescue Plan Act.
- Unrestricted - This component of net position consists of assets that do not meet the definition of “restricted.”

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

### Fund Balance

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

- Nonspendable – This category represents funds that are not in spendable form or are legally or contractually required to be maintained intact. This category includes long-term interfund advances.
- 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.
- 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 (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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### Pending Pronouncements

The Governmental Accounting Standards Board (GASB) has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 89 (Accounting for Interest Cost), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

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

#### Governmental and Proprietary Funds

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, 2021, \$4,256,320 of the Borough's bank balance of \$4,520,011 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits had a carrying amount of \$4,282,712 (governmental funds) and \$196,379 (proprietary funds) as of December 31, 2021.

In addition to the deposits noted above, cash and cash equivalents on the statements of net position – modified cash basis include funds with INVEST. As of December 31, 2021, the fair value of the INVEST funds was \$864,006.

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

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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oversight by the Commonwealth. The Authority can withdraw funds from INVEST without limitations or fees.

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

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

As of December 31, 2021, the entire fair value of the investments in PLGIT of \$849,171 is considered to be a cash equivalent on the statement of net position (modified cash basis) and the governmental funds balance sheet (modified cash basis). These deposits have a carrying amount of \$849,171 as of December 31, 2021. 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, 2021, investments in PLGIT received an AAA rating.

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

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

### Investments – Pension Trust Funds

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

The fair value of the Borough’s Pension Trust Funds’ investments at December 31, 2021 is as follows:

Cash or Investment Type	Fair Market Value	Investment Maturities from December 31, 2021			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Corporate bonds	\$ 83,495	\$ -	\$ 35,178	\$ 48,317	\$ -
Cash and cash equivalents	193,802				
Mutual funds	9,914,161				
ETFs	1,744,354				
<b>Total cash and other investments</b>	<b>11,852,317</b>				
<b>Total cash, cash equivalents, and investments reported on statement of fiduciary net position (modified cash basis)</b>	<b>\$ 11,935,812</b>				

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 corporate bonds are determined to be measured at Level 2 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, 2021, the investment in

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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mutual funds is unrated, and the investments in corporate bonds received the following ratings from Standard & Poor's:

### Credit Quality Distribution for Securities with Credit Exposure

Standard & Poor's Rating	Percentage of Total Pension Trust Fund Corporate Bonds
BBB	42%
BBB+	58%
	100%

*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.

#### 4. Property Taxes

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

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

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

The tax millage assessment for the 2021 calendar year is 1.29 mills on the assessed value of land and buildings. The Borough recognizes property tax revenue when received.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

### 5. Due To/Due From and Transfers

Due To/Due From and transfers as of and for the year ended December 31, 2021 were as follows:

Fund	Due From Other Funds	Due To Other Funds
Major Governmental Fund:		
General Fund	\$ 224,735	\$ -
Capital Reserve	-	96,658
Major Enterprise Fund:		
Clover Hill Golf Fund	-	128,077
Total	\$ 224,735	\$ 224,735

Transactions between funds that are not expected to be repaid are accounted for as transfers. There were no transfers during 2021. 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 Capital Reserve Fund and the Clover Hill Golf Fund represents expenses funded by the General Fund.

### 6. Debt

The following summarizes the changes in the Borough's long-term obligations during the year ended December 31, 2021:

	Balance at January 1, 2021	Additions	Deletions	Balance at December 31, 2021	Due Within One Year
G.O. Bond Series of 2016	\$ 4,045,000	\$ -	\$ 4,045,000	\$ -	\$ -
G.O. Bond Series of 2021	-	3,955,000	220,000	3,735,000	195,000
	\$ 4,045,000	\$ 3,955,000	\$ 4,265,000	\$ 3,735,000	\$ 195,000

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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 refunding resulted in an economic gain of \$298,455 and a cash flow savings of \$327,201. 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.

Future debt service payments on the 2021 Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 195,000	\$ 100,700	\$ 295,700
2023	205,000	94,850	299,850
2024	210,000	86,650	296,650
2025	220,000	76,150	296,150
2026	235,000	65,150	300,150
2027-2031	1,270,000	217,400	1,487,400
2032-2036	1,400,000	85,300	1,485,300
	<u>\$ 3,735,000</u>	<u>\$ 726,200</u>	<u>\$ 4,461,200</u>

## 7. Pension Plans

### Plan Descriptions

The Borough administers two single-employer defined benefit pension plans covering substantially all full-time employees: Police Pension Plan (Police Plan) and General Employees' Pension Plan (General Employees' Plan). Both plans provide retirement benefits and special provisions for death benefits to Plan members. The plans do not issue separate reports.

### Contributions and Funding Policy

Act 205 of 1984 of the Commonwealth of Pennsylvania (Act) requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO).

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

The MMO calculation is based upon the biennial actuarial valuation. Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. The Commonwealth of Pennsylvania allocates certain funds to assist in pension funding. Any financial requirement established by the MMO, which exceeds the Commonwealth of Pennsylvania allocation, must be funded by the Borough (and could include employee contributions). The 2021 MMO for the Police Plan and General Employees' Plan were based on the January 1, 2019 actuarial valuation.

During 2021, the police and general employees' contribution rate was 2% of their annual covered salary. The Borough contributed the funds necessary to meet the MMO for the Police Plan and the General Employees' Plan in the amount of \$293,337 and \$264,986, respectively.

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

The Borough's funded status and related information for the Plans as of the latest actuarial valuation date, January 1, 2021, is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
Police:					
\$ 6,819,926	\$ 7,014,599	\$ (194,673)	97.2%	\$ 1,570,921	-12.39%
General Employees':					
\$ 3,342,255	\$ 4,349,252	\$ (1,006,997)	76.8%	\$ 1,989,296	-50.62%

*Actuarial Assumptions* – The Actuarial Accrued Liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods in the measurement:

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

	Police	General Employees'
Actuarial valuation date	1/1/2021	1/1/2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
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	2010 Public Retirement Plan - Public Safety mortality tables (PubS-2010).	2010 Public Retirement Plan - General Employees mortality tables (PubG-2010).

*Changes in Actuarial Assumptions* – The 2010 Public Retirement Plans mortality tables are the first mortality tables developed solely based on the mortality experience of public employee pension plan participants. Based on the nature of the participants covered and the more recent experience used in the creation of this mortality table, the mortality assumption was updated (from the RP-2014 Mortality Table with 50% Blue-Collar adjustment) to the 2010 Public Retirement Plans – General Employees mortality tables (PubG-2010) and Public Safety employees mortality tables (PubS-2010). In addition, the mortality improvement assumption was updated from being based on the 2015 Social Security Administration’s Trustee Report assumptions. The mortality projection uses a base year of 2015 instead of 2010 to reflect a recent period of stagnant mortality improvement. Additionally, for the police retirement plan, the disability assumption has been updated to projections based on the ultimate rates of disability incidence in the Social Security Administration’s 2010 Trustee’s Report.

*Changes in Benefits* – There were no benefit changes reported since the January 1, 2019 actuarial valuation.

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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### Investment Policy

The following is the asset allocation policy for each major asset class included in the Plans' target asset allocation as of December 31, 2021:

Asset Class	Target Allocation	
	Police	General Employees
Equities	70%	70%
Fixed-Income/Cash	28%	28%
Alternative Investments	2%	2%
	<u>100%</u>	<u>100%</u>

### 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 supplement the General Employees' Plan. During 2021, the Borough contributed \$34,201 to the plan.

## **8. 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 239 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 2021, the Borough received a dividend/refund in the amount of \$65,870. 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

# BOROUGH OF FRANKLIN PARK

## NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)

YEAR ENDED DECEMBER 31, 2021

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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.

### 9. 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.

### 10. 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.

### 11. 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 2021, the Borough provided approximately \$97,000 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 approximately \$100,000 to the Company for various operational and capital needs and \$200,000 to the Company for equipment purchases. As described in Note 6, the Borough issued bonds in 2016 to fund the construction of a new fire station on behalf of the Company.

#### Northland Public Library

Northland Public Library (Library) is a public library that is considered to be a municipal authority by the Commonwealth of Pennsylvania.

# **BOROUGH OF FRANKLIN PARK**

## **NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)**

YEAR ENDED DECEMBER 31, 2021

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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 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 \$344,861 for the year ended December 31, 2021.

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.

## **SUPPLEMENTARY INFORMATION**

# BOROUGH OF FRANKLIN PARK

## BUDGETARY COMPARISON SCHEDULE (MODIFIED CASH BASIS)

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,757,000	\$ 7,757,000	\$ 8,466,372	\$ 709,372
Licenses and permits	181,700	181,700	190,187	8,487
Fines and forfeitures	35,000	35,000	42,032	7,032
Interest and rents	50,200	50,200	30,943	(19,257)
Intergovernmental	1,108,600	1,108,600	1,226,376	117,776
Charges for services	539,200	539,200	518,931	(20,269)
Miscellaneous	108,200	108,200	112,142	3,942
<b>Total revenues</b>	<b>9,779,900</b>	<b>9,779,900</b>	<b>10,586,983</b>	<b>807,083</b>
<b>Expenditures:</b>				
General government	1,480,600	1,480,600	1,437,135	43,465
Public safety	3,725,500	3,725,500	3,716,862	8,638
Health and sanitation	32,000	32,000	34,189	(2,189)
Public works	2,512,900	2,512,900	2,655,582	(142,682)
Culture and recreation	1,386,300	1,386,300	1,277,606	108,694
Debt service	349,200	349,200	4,471,806	(4,122,606)
<b>Total expenditures</b>	<b>9,486,500</b>	<b>9,486,500</b>	<b>13,593,180</b>	<b>(4,106,680)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>293,400</b>	<b>293,400</b>	<b>(3,006,197)</b>	<b>(3,299,597)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from sale of capital assets	43,000	43,000	53,631	10,631
Proceeds from issuance of debt	-	-	3,955,000	3,955,000
Bond premium	-	-	221,883	221,883
Refund of prior year revenues	(8,000)	(8,000)	(86,241)	(78,241)
Refund of prior year expenditures	3,000	3,000	1,224	(1,776)
Transfers in (out)	(287,500)	(287,500)	-	287,500
<b>Total other financing sources (uses)</b>	<b>(249,500)</b>	<b>(249,500)</b>	<b>4,145,497</b>	<b>4,394,997</b>
<b>Net Change in Fund Balance</b>	<b>\$ 43,900</b>	<b>\$ 43,900</b>	<b>1,139,300</b>	<b>\$ 1,095,400</b>
<b>Fund Balance:</b>				
Beginning of year			4,547,048	
End of year			<u>\$ 5,686,348</u>	

# BOROUGH OF FRANKLIN PARK

## COMBINING BALANCE SHEET (MODIFIED CASH BASIS)

### GENERAL FUND

DECEMBER 31, 2021

	General Fund	Fire Protection Fund	Total General Fund
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 3,730,398	\$ 1,045,766	\$ 4,776,164
Cash and cash equivalents - restricted	1,088,033	-	1,088,033
Interfunds	251,990	(27,255)	224,735
<b>Total Assets</b>	<b>\$ 5,070,421</b>	<b>\$ 1,018,511</b>	<b>\$ 6,088,932</b>
<b>Liabilities and Net Position</b>			
<b>Liabilities:</b>			
Escrow deposits	\$ 402,584	\$ -	\$ 402,584
Total Liabilities	402,584	-	402,584
<b>Fund Balance:</b>			
Restricted for:			
Government services	685,449	-	685,449
Assigned for:			
Fire equipment	-	1,018,511	1,018,511
Unassigned	3,982,388	-	3,982,388
Total Fund Balance	4,667,837	1,018,511	5,686,348
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,070,421</b>	<b>\$ 1,018,511</b>	<b>\$ 6,088,932</b>

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)

### GENERAL FUND

YEAR ENDED DECEMBER 31, 2021

	General Fund	Fire Protection Fund	Total General Fund
<b>Revenues:</b>			
Taxes	\$ 8,466,372	\$ -	\$ 8,466,372
Licenses and permits	190,187	-	190,187
Fines and forfeitures	42,032	-	42,032
Interest and rents	29,494	1,449	30,943
Intergovernmental	1,226,376	-	1,226,376
Charges for services	518,931	-	518,931
Miscellaneous	112,142	-	112,142
Total revenues	10,585,534	1,449	10,586,983
<b>Expenditures:</b>			
General government	1,437,135	-	1,437,135
Public safety	3,273,797	443,065	3,716,862
Health and sanitation	34,189	-	34,189
Public works	2,655,582	-	2,655,582
Culture and recreation	1,277,606	-	1,277,606
Debt service	-	4,471,806	4,471,806
Total expenditures	8,678,309	4,914,871	13,593,180
<b>Excess (Deficiency) of Revenues over Expenditures</b>	1,907,225	(4,913,422)	(3,006,197)
<b>Other Financing Sources (Uses):</b>			
Proceeds from sale of capital assets	53,631	-	53,631
Proceeds from issuance of debt	-	3,955,000	3,955,000
Bond premium	-	221,883	221,883
Refund of prior year revenues	(86,241)	-	(86,241)
Refund of prior year expenditures	1,224	-	1,224
Transfers in (out)	(750,444)	750,444	-
Total other financing sources (uses)	(781,830)	4,927,327	4,145,497
<b>Net Change in Fund Balance</b>	1,125,395	13,905	1,139,300
<b>Fund Balance:</b>			
Beginning of year	3,542,442	1,004,606	4,547,048
End of year	\$ 4,667,837	\$ 1,018,511	\$ 5,686,348

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF FIDUCIARY NET POSITION (MODIFIED CASH BASIS)

### PENSION TRUST FUNDS

DECEMBER 31, 2021

	General Employees	Police	Total
<hr/>			
<b>Assets</b>			
<hr/>			
Cash and cash equivalents	\$ 111,406	\$ 82,396	\$ 193,802
Investments	3,697,545	8,044,465	11,742,010
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>3,808,951</b>	<b>8,126,861</b>	<b>11,935,812</b>
	<hr/>	<hr/>	<hr/>
<hr/>			
<b>Net Position</b>			
<hr/>			
Restricted for pension benefits	<u>\$ 3,808,951</u>	<u>\$ 8,126,861</u>	<u>\$ 11,935,812</u>

# BOROUGH OF FRANKLIN PARK

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (MODIFIED CASH BASIS)

### PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2021

	General Employees	Police	Total
<b>Additions:</b>			
<hr/>			
Contributions:			
State aid - contributed by the Borough	\$ 139,121	\$ 153,513	\$ 292,634
Employer	125,865	139,824	265,689
Employee	40,241	33,600	73,841
Total contributions	305,227	326,937	632,164
Net investment income (loss):			
Net increase (decrease) in fair value of investments	251,405	538,359	789,764
Interest and dividends	161,796	334,572	496,368
Total investment income (loss)	413,201	872,931	1,286,132
Less: investment expense	20,750	37,119	57,869
Net investment income (loss)	392,451	835,812	1,228,263
Total additions	697,678	1,162,749	1,860,427
<b>Deductions:</b>			
<hr/>			
Benefits/withdrawals	374,745	162,512	537,257
<b>Change in Net Position</b>	322,933	1,000,237	1,323,170
<b>Net Position:</b>			
<hr/>			
Beginning of year	3,486,018	7,126,624	10,612,642
End of year	\$ 3,808,951	\$ 8,126,861	\$ 11,935,812