



BOROUGH OF EAST STROUDSBURG
East Stroudsburg, Pennsylvania
Monroe County
Financial Statements
December 31, 2023
With Independent Auditor's Reports

Borough of East Stroudsburg
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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Borough Council of
Borough of East Stroudsburg:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Borough of East Stroudsburg, East Stroudsburg, Pennsylvania as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Borough of East Stroudsburg'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, the business-type activities, each major fund, and the aggregate remaining fund information of Borough of East Stroudsburg, East Stroudsburg, Pennsylvania as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States. 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 Borough of East Stroudsburg, East Stroudsburg, Pennsylvania, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Borough of East Stroudsburg, East Stroudsburg, Pennsylvania'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 and *Government 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.
- 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.
- 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 East Stroudsburg Borough, East Stroudsburg, Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of East Stroudsburg, East Stroudsburg, Pennsylvania'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.

Report on Summarized Comparative Information

Borough of East Stroudsburg's financial statements were previously audited by BBD, LLP, who joined WithumSmith+Brown, PC on April 1, 2024 and expressed unmodified audit opinions on those financial statements in their reported dated September 12, 2023, expressed unmodified audit opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – general fund and the schedules of changes in net pension liability and Borough pension contributions on pages 6 through 16 and 49 through 59 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 of East Stroudsburg, East Stroudsburg, Pennsylvania's basic financial statements. The budgetary comparison schedules on pages 60 through 71 and combining and individual nonmajor fund financial statements on pages 72 and 73 are presented for purposes of additional analysis and are 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Financial Statements

Management is responsible for the other information in the financial statements. The other information comprises the statistical information on pages 74 through 77 does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2025, on our consideration of the Borough of East Stroudsburg, East Stroudsburg, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of East Stroudsburg, East Stroudsburg, Pennsylvania's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith & Brown, PC". The signature is written in a cursive, flowing style.

January 23, 2025

Borough of East Stroudsburg Management's Discussion and Analysis December 31, 2023

Management's discussion and analysis ("MD&A") of the financial performance of Borough of East Stroudsburg, East Stroudsburg (the "Borough") provides an overview of the Borough's financial performance for fiscal year ended December 31, 2023. Readers should also review the basic financial statements and related notes to enhance their understanding of the Borough's financial performance.

BOROUGH PROFILE

The Borough was established in 1870 and operates as a Borough under the Borough Code of the Commonwealth of Pennsylvania and governed by a Borough (the legislative branch of the local government), made up of an elected six (6) members and a mayor. The Borough is one of 20 municipalities in Monroe County. The Borough originally was the industrial center of Monroe County due to the railroad but has now evolved into the home of the two largest service institutions in Monroe County, East Stroudsburg University and the LVHN-Pocono. As of the census of 2020, there were approximately 9,700 people residing in the Borough. The major services provided by the Borough include general administration; public safety (police, fire, ambulance and codes), public works (highways and streets and sanitation), planning and zoning, water and sewer utility services, culture and recreation and community development. During 2023, there were approximately 35 full-time and part-time employees including public works and water and sewer employees, administrative clerks and administrative positions which include the Borough Manager, Finance Director, Director of Public Works, and a Zoning and Codes Officer.

FINANCIAL HIGHLIGHTS

- On a government-wide basis including all governmental activities and the business-type activities, the assets and deferred outflows of resources of the Borough exceeded liabilities and deferred inflows of resources resulting in total net position at the close of the 2023 fiscal year of \$21,745,571. During the 2023 fiscal year, the Borough had an increase in total net position of \$4,813,883. The net position of the governmental activities increased by \$4,410,578 and net position of business-type activities increased by \$403,305. The increase in net position of governmental activities can be attributed to a one-time capital contribution of land in the amount of \$3,961,010 from the Golf Course upon the discontinuation of operations.
- The General Fund reported a decrease in fund balance of \$787,139, bringing the cumulative balance to a deficit in fund balance of \$580,537 at the conclusion of the 2023 fiscal year.
- At December 31, 2023, the General Fund fund balance includes \$33,025 which is considered nonspendable, and an unassigned deficit of \$613,562.
- General Fund revenues were \$346,969 or 6.32% more than budgeted amounts, General Fund expenditures were \$260,076 or 4.26% less than budgeted amounts and other financing (uses) had a negative variance of \$1,406,576 resulting in a net negative variance of \$799,531.
- The Borough is in process of a rehabilitation project on the Middle Dam water supply reservoir that provides drinking water to the Borough with an overall estimated cost of \$8 million which is being funded through a combination of financing and state grant funding. During 2023, the Borough incurred costs totaling \$1,456,505 related to the rehabilitation project which has been capitalized as construction in progress in the Water Fund.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the Borough's basic financial statements. The Borough's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Borough of East Stroudsburg
Management's Discussion and Analysis
December 31, 2023**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Borough's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Borough's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the Borough is improving or deteriorating. To assess the Borough's overall health, the reader will need to consider additional nonfinancial factors such as changes in the Borough's tax base and the condition of the Borough's assets.

The Statement of Activities presents information showing how the Borough's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the Borough that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the Borough's activities are divided into two categories:

Governmental Activities

Most of the Borough's basic services are included here, such as general administration, public safety, public works and culture and recreation.

Business-type Activities

The Borough's business-type activities charge a fee to customers to help cover all or most of the cost of certain services it provides. The Borough's sewer, water and municipal golf course activities are reported as business-type activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Borough's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Borough's funds can be divided into three categories: governmental funds and proprietary funds

Governmental Funds

Most of the Borough's basic services are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Borough's near-term financing requirements.

**Borough of East Stroudsburg
Management's Discussion and Analysis
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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Borough maintains ten individual governmental funds. Information is presented separately in the Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for each of the two major funds and the nonmajor governmental funds.

The Borough adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds

The Borough maintains one type of proprietary fund. All of the Borough's proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Borough uses enterprise funds to account for the Sewer Fund, Water Fund and the Golf Course Fund.

The proprietary fund financial statements can be found on pages 23 through 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on pages 26 through 48 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund and proprietary funds and schedules concerning the Borough's progress in funding its obligation to provide pension benefits, as well as additional analysis which consists of combining and individual fund financial statements and supplemental tax data.

The required supplementary information and additional analysis can be found on pages 49 through 77 of this report.

**Borough of East Stroudsburg
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the Borough's financial condition. At the close of the 2023 fiscal year, the Borough's assets and deferred outflows exceeded liabilities and deferred inflows by \$21,745,571. The following table presents condensed information for the *Statement of Net Position* of the Borough at December 31, 2023 and 2022.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 3,317,645	\$ 4,240,349	\$ 6,520,576	\$ 5,633,113	\$ 9,838,221	\$ 9,873,462
Capital assets	10,411,259	6,571,586	13,263,582	15,769,999	23,674,841	22,341,585
Total assets	13,728,904	10,811,935	19,784,158	21,403,112	33,513,062	32,215,047
Deferred outflows						
Deferred charges - pensions	372,374	228,203	603,913	233,987	976,287	462,190
Liabilities						
Current liabilities	2,974,311	3,983,712	512,126	173,177	3,486,437	4,156,889
Noncurrent liabilities	5,631,276	5,371,454	3,480,883	662,458	9,112,159	6,033,912
Total liabilities	8,605,587	9,355,166	3,993,009	835,635	12,598,596	10,190,801
Deferred inflows						
Deferred credits - pensions	69,172	669,031	76,010	706,395	145,182	1,375,426
Net position						
Net investment in capital assets	4,789,448	585,586	9,903,828	14,308,002	14,693,276	14,893,588
Restricted	702,385	503,552	-	-	702,385	503,552
Unrestricted (deficit)	(65,314)	(73,197)	6,415,224	5,787,067	6,349,910	5,713,870
Total net position	\$ 5,426,519	\$ 1,015,941	\$ 16,319,052	\$ 20,095,069	\$ 21,745,571	\$ 21,111,010

The Borough's total assets as of December 31, 2023 were \$33,513,062 of which \$7,486,132 or 22.34% consisted of cash and \$23,674,841 or 70.64% consisted of the Borough's investment in capital assets. The Borough's total liabilities as of December 31, 2023 were \$12,598,596 of which \$8,843,844 or 70.20% consisted of general obligation debt used to acquire and construct capital assets.

Of the Borough's total net position at December 31, 2023, \$6,349,910 is unrestricted and may be used to meet the Borough's ongoing obligations to citizens and creditors. The Borough's unrestricted net position increased by \$636,040 during 2023 primarily due to the results of current year operations.

A portion of the Borough's net position reflects its restricted net position which totaled \$702,385 as of December 31, 2023. All of the Borough's restricted net position relate to the net position of the Borough's special revenue, and debt service funds.

The largest portion of the Borough's net position reflects its net investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The Borough uses these capital assets to provide services to residents of the Borough; consequently, these assets are not available for future spending. Although the Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended December 31, 2023, the Borough's net investment in capital assets increased by \$5,421,499 primarily because of capital assets being funded with other sources other than long-term debt including the capital contribution of land from the Golf Course Fund totaling \$3,961,010.

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The following table presents condensed information for the *Statement of Activities* of the Borough for 2023 and 2022:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 1,970,326	\$ 1,784,169	\$ 4,437,073	\$ 4,372,997	\$ 6,407,399	\$ 6,157,166
Operating grants and contributions	1,015,317	356,758	137,476	86,340	1,152,793	443,098
Capital grants and contributions	-	85,837	-	1,749,644	-	1,835,481
General revenues						
Property taxes	3,968,278	3,753,387	-	-	3,968,278	3,753,387
Franchise fees	128,691	142,885	-	-	128,691	142,885
Investment income	91,594	20,384	161,587	32,643	253,181	53,027
Total revenues	<u>7,174,206</u>	<u>6,143,420</u>	<u>4,736,136</u>	<u>6,241,624</u>	<u>11,910,342</u>	<u>12,385,044</u>
EXPENSES						
General government	745,643	688,847	-	-	745,643	688,847
Public safety	3,561,605	3,440,623	-	-	3,561,605	3,440,623
Health and human services	8,569	4,049	-	-	8,569	4,049
Public works – highways and streets	2,101,593	1,941,430	-	-	2,101,593	1,941,430
Culture and recreation	233,519	171,757	-	-	233,519	171,757
Community development	22,175	15,626	-	-	22,175	15,626
Interest expense related to noncurrent liabilities	162,673	125,754	-	-	162,673	125,754
Sewer operations	-	-	1,949,970	1,703,967	1,949,970	1,703,967
Water operations	-	-	2,251,576	1,855,039	2,251,576	1,855,039
Golf course operations	-	-	238,458	244,327	238,458	244,327
Total expenses	<u>6,835,777</u>	<u>6,388,086</u>	<u>4,440,004</u>	<u>3,803,333</u>	<u>11,275,781</u>	<u>10,191,419</u>
Change in net position before transfers and special item	338,429	(244,666)	296,132	2,438,291	634,561	2,193,625
Special item	3,961,010	-	(3,961,010)	27,994	-	27,994
Transfers	<u>111,139</u>	<u>(2,917,944)</u>	<u>(111,139)</u>	<u>2,917,944</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 4,410,578</u>	<u>\$ (3,162,610)</u>	<u>\$ (3,776,017)</u>	<u>\$ 5,384,229</u>	<u>\$ 634,561</u>	<u>\$ 2,221,619</u>

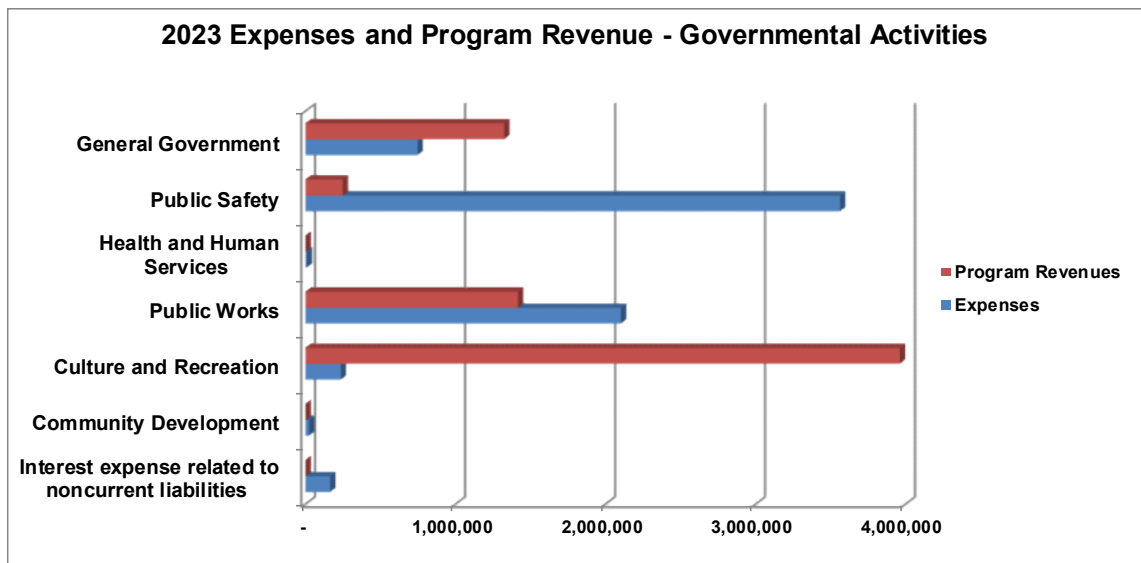
Governmental Activities

The cost of all governmental activities in 2023 was \$6,835,777. The amount that taxpayers ultimately financed for these activities through Borough taxes was \$3,968,278 or 58.05%. A majority of the other expenses were financed through charges for services by those who directly benefited from the programs (\$1,970,326 or 28.82%).

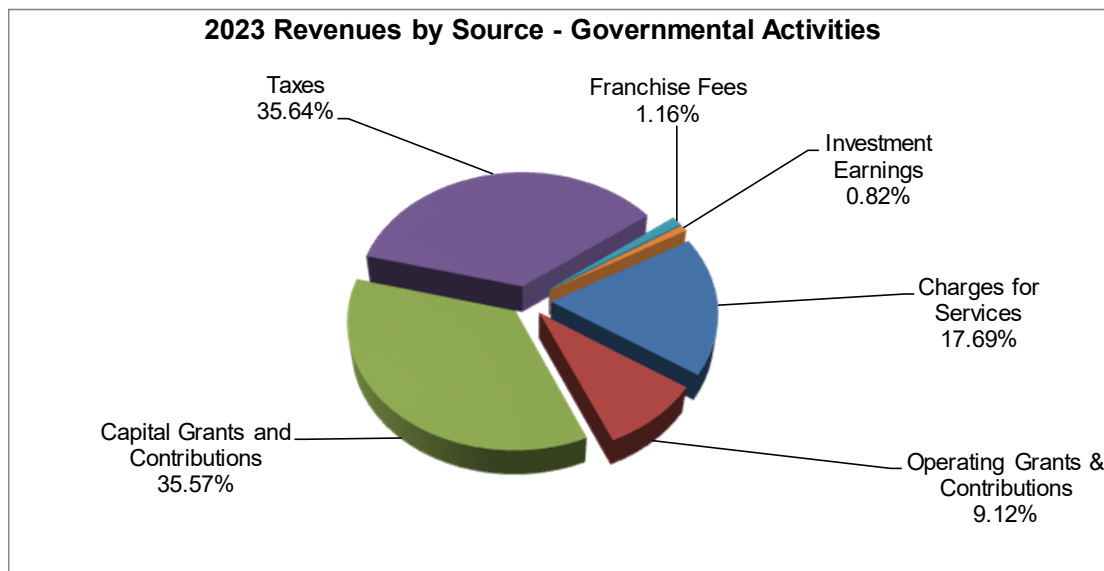
Public safety and public works expenses comprise a majority of the Borough's total expenses totaling \$5,663,198 or 82.46%. Public safety expenses primarily consist of payments for services to the Stroud Area Regional Police Department which totaled \$2,840,516 for 2023.

The *Statement of Activities* provides detail that focuses on how the Borough finances its services. The *Statement of Activities* compares the costs of the Borough functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the Borough's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.

**Borough of East Stroudsburg
Management's Discussion and Analysis
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To the degree that the Borough's functions or programs cost more than they raise, the Statement of Activities shows how the Borough chose to finance the difference through general revenues. The following chart shows that the Borough relies on tax revenues to finance its governmental activities.



Business-Type Activities and Proprietary Funds

The business-type activities and proprietary funds of the Borough include water and sewer operations. The Borough operates its own sewage collection and water supply systems. The Borough Council establishes the rates charged to the users of the water and sewer systems. Charges for services represent the principal revenue source for the Borough's water and sewer operations. The net position of the Sewer Fund increased by \$316,862 and the net position of the Water Fund increased by \$106,589 in 2023. During 2023, water rates were increased for anticipated additional debt service to finance capital projects and sewer fees remained unchanged. Expenses for water and sewer operations were increased by \$623,837 or 17.73% primarily due to an increase in costs and services impacted by inflation. Other operating receipts for the water and sewer operations increased by \$64,076 due to decrease in one-time charges for equivalent dwelling units ("EDUs") and tapping fees. In addition, the Water Fund had a capital contribution from the Capital Projects Fund of approximately \$1.46 million related to the middle dam rehabilitation project.

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In April, 2006, the Borough purchased the Terra Greens Golf Club to operate as a public municipal golf course. Activities of the golf course are reported in the business-type activities and proprietary funds in the financial statements. Revenues generated by the course are to be solely used for funding golf course development and maintenance. The Golf Course Fund had a decrease in net position of \$4,199,468 for 2023 due to the one-time capital contribution of land to the Borough’s governmental activities in the amount of \$3,961,010. The Terra Greens Golf Club was not reopened for the 2023 season.

On May 9, 2023, the Borough of East Stroudsburg entered into a Memorandum of Understanding with the Stroud Regional Open Space and Recreation Commission to manage the Terra Greens Golf Course property, ending the operation and management of the Terra Greens Golf Course by the Borough of East Stroudsburg.

GOVERNMENTAL FUNDS

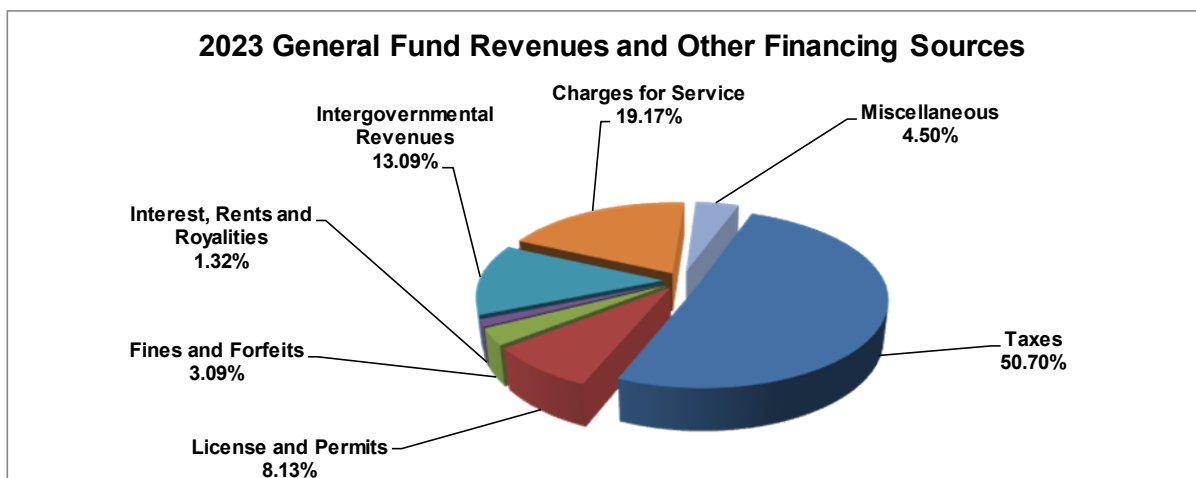
The governmental fund financial statements provide detailed information of the Borough's major funds. Some funds are required to be established by State statute while other funds are established by the Borough to manage monies restricted for a specific purpose. As of December 31, 2023, the Borough's governmental funds reported a combined deficit in fund balance of \$130,626 which is a decrease of \$16,187 from the prior year. The following table summarizes the Borough's total governmental fund balances as of December 31, 2023 and 2022 and the total 2023 change in governmental fund balances.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
General fund	\$ (580,537)	\$ 206,602	\$ (787,139)
Capital projects fund	(241,907)	(817,875)	575,968
Nonmajor governmental funds	691,818	496,834	194,984
	<u>\$ (130,626)</u>	<u>\$ (114,439)</u>	<u>\$ (16,187)</u>

GENERAL FUND

The General Fund is the Borough's primary operating fund. At the conclusion of the 2023 fiscal year the General Fund deficit fund balance was \$580,537 representing a decrease of \$787,139 in relation to the prior year. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2023 fiscal year.

The Borough's reliance upon tax revenues is demonstrated by the graph below that indicates 51.16% of General Fund revenues are derived from local taxes.



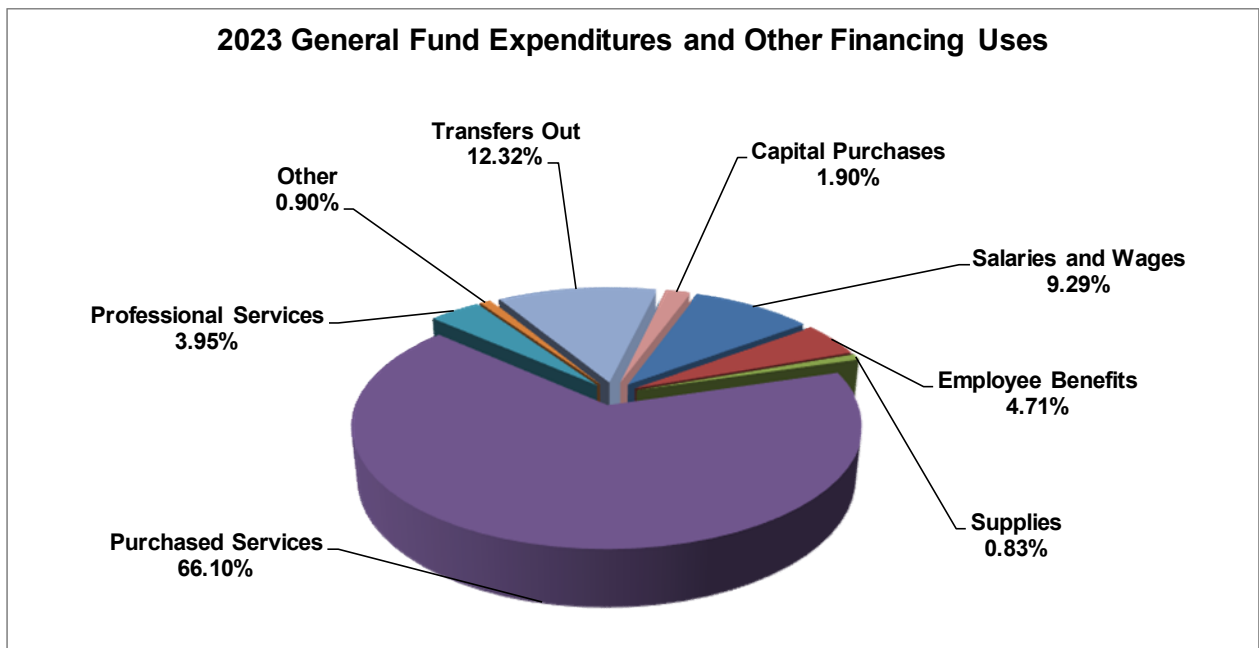
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General Fund Revenues and Other Financing Sources

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Taxes	\$ 2,984,304	\$ 2,943,857	\$ 40,447	1.37
Licenses and permits	478,601	427,228	51,373	12.02
Fines and forfeits	181,820	202,882	(21,062)	(10.38)
Interest, rents and royalties	77,736	38,779	38,957	100.46
Intergovernmental revenues	770,317	116,857	653,460	559.20
Charges for services	1,128,222	1,119,488	8,734	0.78
Miscellaneous	264,597	158,058	106,539	67.41
Transfers in	-	17,000	(17,000)	(100.00)
	<u>\$ 5,885,597</u>	<u>\$ 5,024,149</u>	<u>\$ 861,448</u>	<u>17.15</u>

Intergovernmental revenues increased by \$653,460 or 559.20% primarily due to the recognition of grant funding through the American Rescue Plan Act ("ARPA") in the amount of \$635,732.

As the graph below illustrates, the largest portion of General Fund expenditures is for purchased services due to the Borough's agreement with the Stroud Area Regional Police Department to provide police services.



**Borough of East Stroudsburg
Management's Discussion and Analysis
December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries and wages	\$ 620,030	\$ 516,182	\$ 103,848	20.12
Employee benefits	314,194	304,281	9,913	3.26
Supplies	55,213	108,787	(53,574)	(49.25)
Purchased services	4,410,973	3,981,416	429,557	10.79
Professional services	263,391	354,291	(90,900)	(25.66)
Capital purchase	126,952	9,395	117,557	1,251.27
Other	59,783	58,452	1,331	2.28
Transfers out	822,200	49,153	773,047	1,572.74
	<u>\$ 6,672,736</u>	<u>\$ 5,381,957</u>	<u>\$ 1,290,779</u>	<u>23.98</u>

Purchased services increased in 2023 compared to 2022 by \$429,557 or 10.79% due to an increase in contracted services for the Stroud Area Regional Police, levee maintenance and refuse collections.

Professional services decreased in 2023 compared to 2022 by \$90,900 or 25.66% due to a decrease in legal and engineering services.

Transfers out increased due to transfers of ARPA funding to the Water Fund to subsidize the water meter project.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment. The Capital Projects Fund is primarily funded through transfers from the General Fund, general obligation debt and capital grants and contributions. During 2023, the Capital Projects Fund fund balance increased by \$575,968 for a cumulative deficit balance of \$241,907 as of December 31, 2023 which was funded with proceeds from long-term financing.

NONMAJOR GOVERNMENTAL FUNDS

The Nonmajor Governmental Funds consist of special revenue funds which are maintained to account for the proceeds of specific revenue sources that are to be expended for specified purposes and a debt service fund. The nonmajor special revenue funds include the State Liquid Fuels Fund, Community Development Fund, Fire Apparatus Fund, Street Fund, Recreation Fund, Street Lighting Fund and Pension Fund. Major revenue sources for these funds include taxes and intergovernmental revenues. During 2023, the Nonmajor Governmental Funds fund balance increased by \$194,984 for a cumulative balance of \$691,818 as of December 31, 2023. Within the nonmajor governmental funds the State Liquid Fuels Fund and Community Development Fund represent \$575,245 and \$75,351, respectively, of the cumulative fund balance as of December 31, 2023.

**Borough of East Stroudsburg
Management's Discussion and Analysis
December 31, 2023**

GENERAL FUND BUDGET INFORMATION

The Borough maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The Borough budgets and expends funds according to procedures mandated by Borough code of the Commonwealth of Pennsylvania. An annual operating budget is prepared by management and submitted to the Borough Council for approval prior to the beginning of the fiscal year on January 1 each year. The most significant budgeted fund is the General Fund.

General Fund revenues were \$346,969 or 6.32% more than budgeted amounts, General Fund expenditures were \$260,076 or 4.26% less than budgeted amounts, and other financing (uses) had a negative variance of \$1,406,576 due to the unbudgeted transfers and fewer sales of capital assets.

More detailed information regarding the General Fund budget can be found in the Budgetary Comparison Schedule – General Fund on pages 49 through 57. The Budgetary Comparison Schedule – General Fund shows the original budget, final budget and actual revenues, expenditures and other financing sources and uses for the fiscal year.

CAPITAL ASSETS

The Borough's investment in capital assets for its governmental and business-type activities as of December 31, 2023 amounted to \$23,674,841 net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, improvements other than buildings, and machinery and equipment. The total net increase in the Borough's investment in capital assets for 2023 was \$1,333,256 or 5.97%. The increase was the result of current year capital additions in excess of current year depreciation expense.

Current year capital additions were \$2,735,903 and depreciation expense and loss on disposals was \$1,402,647.

Major capital additions for the current fiscal year included the following:

Business-type activities	
Brown Street water main replacement – construction in progress	\$ 497,318
Middle dam rehabilitation – construction in progress	\$1,456,505

NONCURRENT LIABILITIES

As of December 31, 2023, the Borough had total general obligation debt of \$8,843,844 consisting of notes payable. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The total net increase in the Borough's general obligation debt for the current year was \$1,395,847 or 18.74% due to financing drawn down in 2023 for the middle dam rehabilitation project.

The Borough reports its defined benefit unfunded benefit obligation related to its participation in the Pennsylvania Municipal Retirement System ("PMRS"). The Borough's net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled an asset of \$91,851 as of December 31, 2023.

Other noncurrent liabilities consist of the Borough's liability for compensated absences and capital leases payable which totaled \$176,462 as of December 31, 2023. These liabilities decreased by \$14,394 or 7.54% during the current year.

**Borough of East Stroudsburg
Management's Discussion and Analysis
December 31, 2023**

FACTORS BEARING ON THE BOROUGH'S FUTURE

According to the 2010 U.S. Census, the Borough had a population of approximately 9,700. The current services provided and infrastructure of the Borough is sufficient to meet the Borough's current needs. Over the years the demographics of the Borough have transitioned from an industrial center to an area that is centered on two main service organizations, East Stroudsburg University and the Pocono Medical Center. The Borough will continually evaluate various facets of the community and identify areas for improvement to ensure that it is accommodating the needs of its residents.

Over the past 15 years, the Borough has experienced the successful re-use/redevelopment of the original railroad depot sites and the fire house. In addition, several vacant and underutilized buildings are available for new owners and perhaps new uses. The 11-acre former International Boiler Works ("IBW") property is the largest developable site within Borough limits. The Borough is readying the property for development and is partnering with the Pocono Mountains Economic Development Corporation ("PMEDC") to negotiate a sale. The Borough has obtained grant funding for the demolition of building structures on the site. There have been interested buyers in the site but there are significant costs that will need to be offset for any successful redevelopment of the site. These costs are expected in part to be funded with funding through a Redevelopment Assistance Capital Project grant ("RCAP") through the Commonwealth of Pennsylvania.

The Borough continues to evaluate capital needs associated with its aging infrastructure and is reviewing funding strategies for these projects without creating an additional fiscal burden on the Borough's residents.

The Borough adopted a 2024 General Fund budget with revenue totaling \$5,361,859 and expenses totaling \$5,342,048. The real estate tax millage rate was increased to 6.1707 mills or 19.25%.

For 2024, sewer rates remained unchanged while water rates increased by \$5 per EDU for anticipated increases in operating costs.

Costs for services and development within the Borough have increased at a rate greater than the revenues being generated to pay for these costs.

The Borough received a \$2,813,500 appropriation as part of the American Rescue Plan Act, of which \$1,406,750 was received in 2021 with the remaining balance of \$1,406,750 received in 2022. The Borough has used a portion of these funds in 2021 for operations under the revenue loss provision of the grant. \$500,000 was authorized and spent in 2022 on salaries and the Borough is planning to invest remaining funds in water, sewer and other infrastructure.

In April of 2024, the Borough authorized and transferred \$2,343,743 of ARPA funds to the Water and General Fund. These funds were made up of \$2,313,500 in principal and \$30,243 of interest. Of those funds, \$1,800,000 went to the Water Fund to cover the contractual funds with core and main for the water meter replacement project and the remaining \$543,743 went to the General Fund.

Of the \$1.8 million dollars of ARPA funds deposited into the Water Fund, \$635,732 was spent in 2023, leaving a balance of \$1,164,268 of ARPA funds in the Water Fund. The Borough anticipates the 2024 costs of the water meter project will be \$1.3 million, and 2025 costs are projected to be \$100,000-\$250,000.

The Borough has had some key changes in management personnel as follows: On September 3, 2024, the Borough hired a full-time Borough Manager Kelly Lewis. Kelly is an Attorney with an MBA and is a former County Controller for Monroe County. On May 21, 2024, the Borough hired a full-time Director of Finance. Layla Richard-Rau. Layla has a B.A in Accounting and M. Ed with experience both Public and Private Accounting Experience.

**Borough of East Stroudsburg
Management's Discussion and Analysis
December 31, 2023**

The Borough has been the recipient of a Right-to-Know request related to a claim made by a contractor for the middle dam rehabilitation project against its insurance carrier that has cost the Borough in excess of \$150,000 to respond. Although the Borough has been named a possible interested party in the matter, no claims have been asserted against the Borough.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the Borough's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Borough Manager, Borough of East Stroudsburg, 24 Analomink Street, East Stroudsburg, PA 18301.

Borough of East Stroudsburg
Statement of Net Position
December 31, 2023 with summarized comparative totals for 2022

	Governmental Activities	Business-type Activities	Totals	
			2023	2022
Assets and Deferred Outflows of Resources				
Current assets				
Cash	\$ 3,763,924	\$ 3,722,208	\$ 7,486,132	\$ 7,964,111
Taxes receivable	319,893	-	319,893	262,170
Accounts receivable, net	355,662	1,584,815	1,940,477	1,484,661
Due from other governments	-	-	-	81,603
Internal balances	(1,154,859)	1,154,859	-	-
Prepaid expenses	33,025	58,694	91,719	80,917
Total current assets	<u>3,317,645</u>	<u>6,520,576</u>	<u>9,838,221</u>	<u>9,873,462</u>
Noncurrent assets				
Capital assets, net	<u>10,411,259</u>	<u>13,263,582</u>	<u>23,674,841</u>	<u>22,341,585</u>
Total assets	<u>13,728,904</u>	<u>19,784,158</u>	<u>33,513,062</u>	<u>32,215,047</u>
Deferred outflows of resources				
Deferred charges - pensions	<u>372,374</u>	<u>603,913</u>	<u>976,287</u>	<u>462,190</u>
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Accounts payable	1,023,141	464,787	1,487,928	1,507,141
Accrued salaries and benefits	61,093	47,339	108,432	85,348
Accrued interest payable	34,017	-	34,017	23,804
Unearned revenue	1,677,768	-	1,677,768	2,313,500
Escrow deposits	<u>178,292</u>	<u>-</u>	<u>178,292</u>	<u>227,096</u>
Total current liabilities	<u>2,974,311</u>	<u>512,126</u>	<u>3,486,437</u>	<u>4,156,889</u>
Noncurrent liabilities				
Due within one year	610,877	120,013	730,890	688,533
Due in more than one year	<u>5,020,399</u>	<u>3,360,870</u>	<u>8,381,269</u>	<u>5,345,379</u>
Total noncurrent liabilities	<u>5,631,276</u>	<u>3,480,883</u>	<u>9,112,159</u>	<u>6,033,912</u>
Total liabilities	<u>8,605,587</u>	<u>3,993,009</u>	<u>12,598,596</u>	<u>10,190,801</u>
Deferred inflows of resources				
Deferred credits - pensions	<u>69,172</u>	<u>76,010</u>	<u>145,182</u>	<u>1,375,426</u>
Net position				
Net investment in capital assets	4,789,448	9,903,828	14,693,276	14,893,588
Restricted	702,385	-	702,385	503,552
Unrestricted (deficit)	<u>(65,314)</u>	<u>6,415,224</u>	<u>6,349,910</u>	<u>5,713,870</u>
Total net position	<u>\$ 5,426,519</u>	<u>\$ 16,319,052</u>	<u>\$ 21,745,571</u>	<u>\$ 21,111,010</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Statement of Activities
Year ended December 31, 2023 with summarized comparative totals for 2022

	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Totals	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			2023	2022
Governmental activities								
General government	\$ 745,643	\$ 651,419	\$ 672,185	\$ -	\$ 577,961	\$ -	\$ 577,961	\$ (180,840)
Public safety	3,561,605	181,820	64,959	-	(3,314,826)	-	(3,314,826)	(3,095,908)
Health and human services	8,569	-	608	-	(7,961)	-	(7,961)	(3,491)
Public works	2,101,593	1,137,087	277,565	-	(686,941)	-	(686,941)	(568,046)
Culture and recreation	233,519	-	-	-	(233,519)	-	(233,519)	(171,657)
Community development	22,175	-	-	-	(22,175)	-	(22,175)	(15,626)
Interest expense related to noncurrent liabilities	162,673	-	-	-	(162,673)	-	(162,673)	(125,754)
Total governmental activities	<u>6,835,777</u>	<u>1,970,326</u>	<u>1,015,317</u>	<u>-</u>	<u>(3,850,134)</u>	<u>-</u>	<u>(3,850,134)</u>	<u>(4,161,322)</u>
Business-type activities								
Sewer	1,949,970	2,102,546	53,800	-	-	206,376	206,376	382,178
Water	2,251,576	2,334,527	83,676	-	-	166,627	166,627	2,094,331
Golf course	238,458	-	-	-	-	(238,458)	(238,458)	(70,861)
Total business-type activities	<u>4,440,004</u>	<u>4,437,073</u>	<u>137,476</u>	<u>-</u>	<u>-</u>	<u>134,545</u>	<u>134,545</u>	<u>2,405,648</u>
Total primary government	<u>\$ 11,275,781</u>	<u>\$ 6,407,399</u>	<u>\$ 1,152,793</u>	<u>\$ -</u>	<u>(3,850,134)</u>	<u>134,545</u>	<u>(3,715,589)</u>	<u>(1,755,674)</u>
General revenues								
Taxes								
Real estate taxes					2,461,447	-	2,461,447	2,128,604
Earned income taxes					1,055,217	-	1,055,217	1,015,480
Real estate transfer taxes					143,855	-	143,855	309,467
Local services taxes					307,759	-	307,759	299,836
Franchise fees					128,691	-	128,691	142,885
Investment earnings					91,594	161,587	253,181	53,027
Special Item					3,961,010	(3,961,010)	-	27,994
Transfers					111,139	(111,139)	-	-
Total general revenues and transfers					<u>8,260,712</u>	<u>(3,910,562)</u>	<u>4,350,150</u>	<u>3,977,293</u>
Change in net position					4,410,578	(3,776,017)	634,561	2,221,619
Net position								
Beginning of year					<u>1,015,941</u>	<u>20,095,069</u>	<u>21,111,010</u>	<u>18,889,391</u>
End of year					<u>\$ 5,426,519</u>	<u>\$ 16,319,052</u>	<u>\$ 21,745,571</u>	<u>\$ 21,111,010</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Balance Sheet – Governmental Funds
December 31, 2023 with summarized comparative totals for 2022

	Major Funds			Totals	
	General	Capital	Nonmajor		
	Fund	Projects	Governmental	2023	2022
		Fund	Funds		
Assets					
Cash	\$ 2,584,492	\$ 512,184	\$ 667,248	\$ 3,763,924	\$ 3,841,861
Receivables					
Taxes	319,893	-	-	319,893	262,170
Garbage fees, net	264,980	-	-	264,980	190,960
Other	90,682	-	-	90,682	49,190
Due from other funds	29,382	-	60,684	90,066	16,963
Prepaid items	33,025	-	-	33,025	28,827
Total assets	<u>\$ 3,322,454</u>	<u>\$ 512,184</u>	<u>\$ 727,932</u>	<u>\$ 4,562,570</u>	<u>\$ 4,389,971</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 305,630	\$ 693,608	\$ 23,903	\$ 1,023,141	\$ 1,375,711
Accrued salaries and benefits	59,381	-	1,712	61,093	43,601
Due to other funds	1,234,426	-	10,499	1,244,925	149,622
Unearned revenue	1,677,768	-	-	1,677,768	2,313,500
Escrow deposits	117,809	60,483	-	178,292	227,096
Total liabilities	<u>3,395,014</u>	<u>754,091</u>	<u>36,114</u>	<u>4,185,219</u>	<u>4,109,530</u>
Deferred inflows of resources					
Unavailable revenues -					
property taxes and garbage fees	507,977	-	-	507,977	394,880
Fund balances					
Nonspendable					
Prepaid items	33,025	-	-	33,025	28,827
Restricted for					
Public works - highways and streets	-	-	604,027	604,027	425,863
Community development	-	-	75,351	75,351	71,550
Fire apparatus	-	-	6,870	6,870	5,751
Culture and recreation	-	-	15,949	15,949	100
Pension	-	-	-	-	100
Debt service	-	-	188	188	188
Committed to					
Road improvements fund	-	387,607	-	387,607	379,930
Unassigned	(613,562)	(629,514)	(10,567)	(1,253,643)	(1,026,748)
Total fund balances	<u>(580,537)</u>	<u>(241,907)</u>	<u>691,818</u>	<u>(130,626)</u>	<u>(114,439)</u>
Total liabilities, deferred inflows					
of resources and fund balances	<u>\$ 3,322,454</u>	<u>\$ 512,184</u>	<u>\$ 727,932</u>	<u>\$ 4,562,570</u>	<u>\$ 4,389,971</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Reconciliation of Governmental Funds Balance Sheet to Net Position of
Governmental Activities on the Statement of Net Position
December 31, 2023

TOTAL GOVERNMENTAL FUND BALANCES	\$ (130,626)
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 in the governmental funds balance sheet.	10,411,259
Some of the Borough's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet.	507,977
Deferred outflows of resources and deferred inflows of resources related to pensions are not reported as assets and liabilities in the governmental funds balance sheet.	303,202
Accrued interest payable on noncurrent liabilities is included in the statement of net position, but is excluded from the governmental funds balance sheet until due and payable.	(34,017)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.	<u>(5,631,276)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,426,519</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year ended December 31, 2023 with summarized comparative totals for 2022

	<u>Major Funds</u>			<u>Totals</u>	
	<u>General</u>	<u>Capital</u>	<u>Nonmajor</u>		
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>2023</u>	<u>2022</u>
Revenues					
Taxes	\$ 2,984,304	\$ -	\$ 877,802	\$ 3,862,106	\$ 3,782,444
Licenses and permits	478,601	-	-	478,601	427,228
Fines and forfeits	181,820	-	-	181,820	202,882
Interest, rent and royalties	77,736	12,142	33,448	123,326	50,382
Intergovernmental revenues	770,317	-	252,120	1,022,437	361,553
Charges for services	1,128,222	-	-	1,128,222	1,119,488
Miscellaneous	212,048	-	-	212,048	158,058
Total revenues	<u>5,833,048</u>	<u>12,142</u>	<u>1,163,370</u>	<u>7,008,560</u>	<u>6,102,035</u>
Expenditures					
Current					
General government	638,225	-	108,202	746,427	660,126
Public safety	3,420,581	-	22,083	3,442,664	3,279,872
Health and human services	8,064	-	-	8,064	7,014
Public works - sanitation	1,086,463	-	-	1,086,463	1,022,235
Public works - highways and streets	358,858	-	365,694	724,552	632,751
Public works - other services	290,775	-	-	290,775	109,987
Culture and recreation	25,395	-	187,551	212,946	122,598
Community development	22,175	-	-	22,175	63,107
Debt service					
Principal	-	159,044	417,366	576,410	561,860
Interest	-	82,000	70,459	152,459	127,050
Total expenditures	<u>5,850,536</u>	<u>241,044</u>	<u>1,171,355</u>	<u>7,262,935</u>	<u>6,586,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,488)</u>	<u>(228,902)</u>	<u>(7,985)</u>	<u>(254,375)</u>	<u>(484,565)</u>
Other financing sources (uses)					
Proceeds from issuance of general long-term debt	-	74,500	-	74,500	2,231,871
Transfers in	-	2,186,875	202,969	2,389,844	314,865
Transfers out	(822,200)	(1,456,505)	-	(2,278,705)	(3,232,809)
Sale of capital assets	52,549	-	-	52,549	-
Total other financing sources (uses)	<u>(769,651)</u>	<u>804,870</u>	<u>202,969</u>	<u>238,188</u>	<u>(686,073)</u>
Net change in fund balances	(787,139)	575,968	194,984	(16,187)	(1,170,638)
Fund balances					
Beginning of year	<u>206,602</u>	<u>(817,875)</u>	<u>496,834</u>	<u>(114,439)</u>	<u>1,056,199</u>
End of year	<u>\$ (580,537)</u>	<u>\$ (241,907)</u>	<u>\$ 691,818</u>	<u>\$ (130,626)</u>	<u>\$ (114,439)</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Change in Net Position of Governmental
Activities on the Statement of Activities
Year ended December 31, 2023 with summarized comparative totals for 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (16,187)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and contributions exceeded depreciation expense in the current period.

Capital outlay expenditures	\$ 419,224	
Capital contribution	3,961,010	
Depreciation expense	<u>(540,561)</u>	3,839,673

Because some revenues will not be collected for several months after the Borough's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

Deferred inflows of resources December 31, 2022	(394,880)	
Deferred inflows of resources December 31, 2023	<u>507,977</u>	113,097

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt	(74,500)	
Repayment of notes payable	576,410	
Repayment of leases payable	<u>26,449</u>	528,359

Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.

Current year change in compensated absences	(442)	
Current year change in accrued interest payable	(10,213)	
Change in net pension liability and related deferred inflows and outflows	<u>(43,709)</u>	<u>(54,364)</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Statement of Net Position – Proprietary Funds
December 31, 2023 with summarized comparative totals for 2022

	Major Funds		Nonmajor Fund	Totals	
	Sewer Fund	Water Fund	Golf Course Fund	2023	2022
Assets and Deferred Outflows of Resources					
Current assets					
Cash	\$ 2,773,777	\$ 947,957	\$ 474	\$ 3,722,208	\$ 4,122,250
Accounts receivable, net	738,619	846,196	-	1,584,815	1,244,511
Due from other governments	-	-	-	-	81,603
Due from other funds	961,250	752,491	-	1,713,741	745,528
Prepaid expenses	29,183	29,511	-	58,694	52,090
Total current assets	<u>4,502,829</u>	<u>2,576,155</u>	<u>474</u>	<u>7,079,458</u>	<u>6,245,982</u>
Noncurrent assets					
Capital assets, net	1,838,159	11,425,423	-	13,263,582	15,769,999
Total assets	<u>6,340,988</u>	<u>14,001,578</u>	<u>474</u>	<u>20,343,040</u>	<u>22,015,981</u>
Deferred outflows of resources					
Deferred charges - pensions	241,797	362,116	-	603,913	233,987
Liabilities, Deferred Inflows of Resources and Net Position					
Current liabilities					
Current portion of notes payable	-	120,013	-	120,013	85,674
Accounts payable	58,070	406,717	-	464,787	131,430
Accrued salaries and benefits	21,188	26,151	-	47,339	41,747
Due to other funds	-	540,000	18,882	558,882	612,869
Total current liabilities	<u>79,258</u>	<u>1,092,881</u>	<u>18,882</u>	<u>1,191,021</u>	<u>871,720</u>
Noncurrent liabilities					
Notes payable, net of current portion	-	3,239,741	-	3,239,741	1,376,323
Net pension liability (asset)	38,864	53,415	-	92,279	(816,775)
Compensated absences	12,674	16,176	-	28,850	17,236
Total noncurrent liabilities	<u>51,538</u>	<u>3,309,332</u>	<u>-</u>	<u>3,360,870</u>	<u>576,784</u>
Total liabilities	<u>130,796</u>	<u>4,402,213</u>	<u>18,882</u>	<u>4,551,891</u>	<u>1,448,504</u>
Deferred inflows of resources					
Deferred credits - pensions	29,688	46,322	-	76,010	706,395
Net position					
Net investment in capital assets	1,838,159	8,065,669	-	9,903,828	14,308,002
Unrestricted (deficit)	4,584,142	1,849,490	(18,408)	6,415,224	5,787,067
Total net position	<u>\$ 6,422,301</u>	<u>\$ 9,915,159</u>	<u>\$ (18,408)</u>	<u>\$ 16,319,052</u>	<u>\$ 20,095,069</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year ended December 31, 2023 with summarized comparative totals for 2022

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	<u>Totals</u>	
	<u>Sewer</u>	<u>Water</u>	<u>Golf Course</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2023</u>	<u>2022</u>
Operating Revenues					
Charges for services	\$ 1,849,021	\$ 2,210,779	\$ -	\$ 4,059,800	\$ 3,923,192
Other	253,525	123,748	-	377,273	449,805
Total operating revenues	<u>2,102,546</u>	<u>2,334,527</u>	<u>-</u>	<u>4,437,073</u>	<u>4,372,997</u>
Operating expenses					
Salaries and wages	517,651	571,059	-	1,088,710	1,081,854
Employee benefits	410,451	263,478	-	673,929	510,567
Administrative expenses	79,176	110,270	-	189,446	136,894
Insurance	63,086	51,650	-	114,736	92,998
Professional services	144,556	254,977	-	399,533	327,358
Repairs and maintenance	178,508	346,200	-	524,708	493,177
Supplies	178,044	190,140	-	368,184	350,694
Utilities	98,254	61,926	-	160,180	171,659
Depreciation	280,244	343,384	20,146	643,774	598,343
Total operating expenses	<u>1,949,970</u>	<u>2,193,084</u>	<u>20,146</u>	<u>4,163,200</u>	<u>3,763,544</u>
Operating income (loss)	<u>152,576</u>	<u>141,443</u>	<u>(20,146)</u>	<u>273,873</u>	<u>609,453</u>
Nonoperating revenues (expenses)					
Interest income	110,486	51,101	-	161,587	32,643
Interest expense	-	(58,492)	-	(58,492)	(39,789)
Intergovernmental revenues	53,800	83,676	-	137,476	1,835,984
Total nonoperating revenues (expenses)	<u>164,286</u>	<u>76,285</u>	<u>-</u>	<u>240,571</u>	<u>1,828,838</u>
Income before transfers and special item	316,862	217,728	(20,146)	514,444	2,438,291
Capital investment in Brodhead Creek					
Regional Authority	-	-	-	-	27,994
Loss on disposal of capital assets	-	-	(218,312)	(218,312)	(39,788)
Capital contribution	-	-	(3,961,010)	(3,961,010)	(39,787)
Transfers in	-	2,075,736	-	2,075,736	3,183,656
Transfers out	-	(2,186,875)	-	(2,186,875)	(265,712)
Change in net pension	316,862	106,589	(4,199,468)	(3,776,017)	5,304,654
Net position					
Beginning of year	<u>6,105,439</u>	<u>9,808,570</u>	<u>4,181,060</u>	<u>20,095,069</u>	<u>14,710,840</u>
End of year	<u>\$ 6,422,301</u>	<u>\$ 9,915,159</u>	<u>\$ (18,408)</u>	<u>\$ 16,319,052</u>	<u>\$ 20,015,494</u>

The Notes to Financial Statements are an integral part of this statement.

Borough of East Stroudsburg
Statement of Cash Flows - Proprietary Funds
Year ended December 31, 2023 with summarized comparative totals for 2022

	Major Funds		Nonmajor Fund	Totals	
	Sewer Fund	Water Fund	Golf Course Fund	2023	2022
Operating activities					
Cash received from charges for services	\$ 1,394,918	\$ 1,296,366	\$ -	\$ 2,691,284	\$ 3,954,405
Payments to suppliers for goods and services	(736,125)	(654,103)	(27,188)	(1,417,416)	(1,537,763)
Payments to employees	(932,278)	(910,538)	(480)	(1,843,296)	(1,841,349)
Other receipts	253,525	123,748	-	377,273	449,805
Net cash provided by (used in) operating activities	(19,960)	(144,527)	(27,668)	(192,155)	1,025,098
Noncapital financing activities					
Intergovernmental revenues	53,800	53,800	-	107,600	86,340
Capital investment in Brodhead Creek Regional Authority	60,000	(60,000)	-	-	27,994
Transfers to other funds	-	-	-	-	(17,000)
Net cash provided by (used in) noncapital financing activities	113,800	(6,200)	-	107,600	97,334
Capital and related financing activities					
Intergovernmental revenues	-	111,479	-	111,479	1,668,041
Acquisition and construction of capital assets	(208,820)	(651,354)	-	(860,174)	(417,364)
Proceeds from notes payable	-	1,983,431	-	1,983,431	16,592
Repayment of notes payable	-	(85,674)	-	(85,674)	(82,370)
Transfers to other funds	-	(2,186,875)	-	(2,186,875)	(248,712)
Transfers from other funds	-	619,231	-	619,231	-
Interest paid	-	(58,492)	-	(58,492)	(39,789)
Net cash provided by (used in) capital and related financing activities	(208,820)	(268,254)	-	(477,074)	896,398
Investing activities					
Interest income	110,486	51,101	-	161,587	32,643
Net change in cash	(4,494)	(367,880)	(27,668)	(400,042)	2,051,473
Cash					
Beginning of year	2,778,271	1,315,837	28,142	4,122,250	2,070,777
End of year	\$ 2,773,777	\$ 947,957	\$ 474	\$ 3,722,208	\$ 4,122,250
Reconciliation of operating income (loss) to net cash cash provided by (used in) operating activities					
Operating income	\$ 152,576	\$ 141,443	\$ (20,146)	\$ 273,873	\$ 609,453
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	280,244	343,384	20,146	643,774	598,343
(Increase) decrease in					
Accounts receivable	(131,404)	(208,899)	-	(340,303)	(52,489)
Due from other funds	(322,699)	(705,514)	-	(1,028,213)	87,419
Prepaid expenses	1,500	(8,104)	-	(6,604)	(4,263)
Deferred outflows - pensions	(130,930)	(238,996)	-	(369,926)	123,006
Increase (decrease) in					
Accounts payable	5,499	361,060	(33,202)	333,357	15,943
Accrued salaries and benefits	321	5,751	(480)	5,592	2,378
Due to other funds	-	-	6,014	6,014	12,869
Compensated absences	4,300	7,314	-	11,614	2,485
Net pension liability (asset)	426,023	483,030	-	909,053	(425,252)
Deferred inflows - pensions	(305,390)	(324,996)	-	(630,386)	55,206
Net cash provided by operating activities	\$ (19,960)	\$ (144,527)	\$ (27,668)	\$ (192,155)	\$ 1,025,098
Noncash capital and related financing activities					
Capital contributions	\$ -	\$ 1,456,505	\$ -	\$ 1,456,505	\$ 3,183,656

The Notes to Financial Statements are an integral part of this statement.

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

1. ORGANIZATION AND PURPOSE

The Borough of East Stroudsburg (the "Borough") was established in 1870 and operates as a Borough under the Borough Code of the Commonwealth of Pennsylvania and is governed by a Borough Council (the legislative branch of the local government), made up of an elected six (6) members and a mayor. The Borough provides the following services: general government; public safety - police, fire, ambulance, codes and planning and zoning; public works – highways and streets and sanitation; culture and recreation; community development; water and sewer utility services and a municipal golf course.

The financial statements of the Borough have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the Borough as a reporting entity, management has addressed all potential component units which may or may not fall within the Borough's accountability. The criteria used to evaluate component units for possible inclusion as part of the Borough's reporting entity are financial accountability and the nature and significance of the relationship. The Borough is considered to be an independent reporting entity and has no component units.

Joint Ventures

The Borough and the Borough of Stroudsburg participate in the Twin Boroughs Recycling Program. The Twin Boroughs Recycling Program provides for curbside recycling collection and processing and marketing of recycling materials. All revenues and expenses of the Twin Boroughs Recycling Program are shared equally by each participant. The Twin Boroughs Recycling Program is controlled by a joint Board comprised of two Council members from each Borough and the Borough managers. Borough oversight of the Twin Borough Recycling Program is the responsibility of the joint Board. The Twin Boroughs Recycling Program issues separate audited financial statements which are available to the public through the Borough office.

The Borough participates with the Borough of Stroudsburg and Stroud Township in the Stroud Area Regional Police Department (the "SARPD") through an Intergovernmental Cooperation Agreement to provide police services to the three participating members. The SARPD is controlled by a joint Board comprised of a commission of officials from the three participating members. The governing body of each participating member must approve the annual operating budget of the SARPD, but the participating members have no ongoing fiduciary interest or responsibility to the SARPD. The Borough's share of operating costs for police services for 2023 was \$2,840,516. The SARPD prepares financial statements that are available to the public from their administrative offices located at 100 East Day Street, East Stroudsburg, PA 18301.

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

Jointly Governed Organization

The Borough participates with the Borough of Stroudsburg in the Monroe County Control Center (the "Center") through an Intergovernmental Cooperation Agreement to provide county-wide services for the receiving and transmitting of messages and information for public safety services. The Center is controlled by a joint Board representing all participating members. Borough oversight of the Center is the responsibility of the joint Board. The Borough's share of operating costs for 2023 was \$63,921. The Center prepares financial statements that are available to the public from their administrative offices located at 100 Gypsum Road, Suite, 201, Stroudsburg, PA 18360.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Borough as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position presents the financial position of the Borough which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Borough is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the Borough and for each governmental function. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Borough.

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

During the year, the Borough segregates transactions related to certain Borough functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the Borough. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The Borough reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for the acquisition, construction of capital facilities, improvements and/or equipment.

In addition, the Borough reports the following nonmajor governmental funds:

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

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and other related costs.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, 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. For this purpose, the Borough considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific Borough expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The Borough reports the following major proprietary funds:

The Sewer Fund is used to account for the operation of a sewage collection system.

The Water Fund is used to account for the operation of a water supply system.

Additionally, the Borough reports the following nonmajor proprietary fund:

The Golf Course Fund accounts for the activities of the Borough for the operation of and maintenance of the Borough's golf course facilities.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Borough's proprietary funds are charges for services. Operating expenses for the Borough's proprietary funds include the cost of operations and maintenance and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

The Borough's 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.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Taxes

Property taxes are levied on January 1 and are payable in the following periods:

March 1 – April 30	-	Discount period, 2% of gross levy
May 1 – June 30	-	Face period
July 1 to collection	-	Penalty period, 10% of gross levy
January 1	-	Lien date

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

The Monroe County Board of Assessments determines assessed valuations of property, and the Borough's taxes are billed and collected by an elected tax collector. The tax on real estate for fiscal 2023 was 5.1747 mills (\$5.1747 for \$1,000 of assessed valuation) consisting of 3.2350 mills for general purposes, 0.1150 mills for streets, 0.0570 mills for fire, 0.6000 mills for recreation, 0.0783 mills for street lighting, 0.0824mills for pension and 1.0070 mills for debt service. The Borough experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the Borough for property taxes receivable. The Borough is permitted by statute to levy taxes up to 30 mills of assessed valuation for general purposes and additional millage for other purposes as provided in the statutes.

Other taxes levied in 2023 consisted of the following:

Real estate transfer tax	-	0.50% of gross sales price
Earned income tax	-	0.50% for general purposes
Local services tax	-	\$47.00 per year

Accounts Receivable

The Borough's accounts receivables are reported at net realizable value. The Borough's sewer, water and garbage operations experience very small losses from uncollectible accounts. Sewer, water and garbage fees constitute a lien against real property and usually can be collected in full when title transfers. Only balances after tax sales are written off each year. Accounts receivable are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on professional judgment and historical trend information.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Borough as assets with an initial individual cost of more than \$10,000 and an estimated life of two years or more. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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, inclusive of ancillary costs.

Property, plant and equipment (net of salvage value) of the Borough is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 20-50 years, improvements other than buildings – 20-75 years and machinery and equipment – 8-10 years.

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

Impairment of Long-Lived Assets

The Borough evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the Borough. No impairment losses were recognized in the year ended December 31, 2023.

Compensated Absences

Borough policies permit employees to accumulate earned but unused vacation and sick days and compensatory leave. There is no liability for sick days as the Borough does not pay out unused balances at separation. The liability for unused vacation days and compensatory leave is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the Governmental Funds financial statements only to the extent they have matured, for example, as a result of employee resignation or retirement.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources and uses.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the Borough is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The Borough reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the Borough's highest level of decision-making authority, the Borough Council. Committed amounts cannot be used for any other purpose unless the Borough Council removes those constraints by taking the same type of formal action (e.g., resolution).

Assigned

Assigned fund balances are amounts that are constrained by the Borough's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Borough Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the Borough has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

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

Use of Estimates

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

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Borough's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Implementation of New Accounting Pronouncements

Effective January 1, 2023, the Township adopted the provisions of GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

The objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPP"s). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 had no impact on the financial statements of the Township for the year ended December 31, 2023.

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITA"s) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The implementation of GASB Statement No. 96 had no impact on the financial statements of the Township for the year ended December 31, 2023.

New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will be effective for the Township for the year ended December 31, 2024. GASB Statement No. 100 enhances 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.

GASB Statement No. 101, *Compensated Absences*, will be effective for the Township for the year ended December 31, 2025. GASB Statement No. 101 will update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Borough for the year ended December 31, 2025. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the Borough for the year ended December 31, 2026. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Borough for the year ended December 31 2026. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Borough code of the Commonwealth of Pennsylvania requires that an annual budget for all funds be adopted no later than December 31 for the succeeding fiscal year beginning January 1. The Borough is required to publish notice by advertisement at least once in one newspaper of general circulation in the Borough, and within 30 days of final action, that the budget has been prepared and is available for public inspection for a period of 10 days at the Borough offices. Notice that public hearings will be held on the proposed budget must be included in the advertisement.

**Borough of East Stroudsburg
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Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Borough is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and includes the effect of approved budget amendments.

Deficit Fund Equity

The General Fund had a deficit fund balance of \$580,537 at December 31, 2023, which can be attributed to a structural budget deficit that will be alleviated with increases in the Borough's real estate millage rate for general purpose.

The Capital Projects Fund, a major fund, had a deficit in fund balance of \$241,907 at December 31, 2023, due to accounts payable recorded at year end, which will be funded with advances from authorized general obligation debt.

3. DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Borough does not have a policy for custodial credit risk on deposits. The Borough is required by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. At December 31, 2023, the carrying amount of the Borough's deposits was \$7,486,132 and the bank balance was \$7,511,600. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,134,901 was collateralized by the Borough's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the Borough are in the Pennsylvania Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of December 31, 2023, PLGIT was rated AAA by a nationally recognized statistical rating agency.

**Borough of East Stroudsburg
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4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,945,634	\$ 3,961,010	\$ -	\$ 5,906,644
Capital assets being depreciated				
Buildings and improvements	2,312,098	-	-	2,312,098
Improvements other than buildings	5,936,538	190,000	-	6,126,538
Machinery and equipment	4,707,137	229,224	-	4,936,361
Total capital assets being depreciated	<u>12,955,773</u>	<u>419,224</u>	<u>-</u>	<u>13,374,997</u>
Less: accumulated depreciation				
Buildings and improvements	(1,214,451)	(60,526)	-	(1,274,977)
Improvements other than buildings	(3,400,526)	(159,426)	-	(3,559,952)
Machinery and equipment	(3,714,844)	(320,609)	-	(4,035,453)
Total accumulated depreciation	<u>(8,329,821)</u>	<u>(540,561)</u>	<u>-</u>	<u>(8,870,382)</u>
Total capital assets being depreciated, net	<u>4,625,952</u>	<u>(121,337)</u>	<u>-</u>	<u>4,504,615</u>
Governmental activities, net	<u>\$ 6,571,586</u>	<u>\$ 3,839,673</u>	<u>\$ -</u>	<u>\$ 10,411,259</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ 5,559,732	\$ -	\$ 3,961,010	\$ 1,598,722
Construction in progress	4,558,567	1,456,505	266,223	5,748,849
Total capital assets not being depreciated	<u>10,118,299</u>	<u>1,456,505</u>	<u>4,227,233</u>	<u>7,347,571</u>
Capital assets being depreciated				
Buildings and improvements	5,528,175	-	412,500	5,115,675
Improvements other than buildings	15,251,413	291,973	-	15,543,386
Machinery and equipment	941,889	834,424	215,043	1,561,270
Total capital assets being depreciated	<u>21,721,477</u>	<u>1,126,397</u>	<u>627,543</u>	<u>22,220,331</u>
Less: accumulated depreciation				
Buildings and improvements	(4,866,784)	(61,211)	(224,648)	(4,703,347)
Improvements other than buildings	(10,735,941)	(415,426)	-	(11,151,367)
Machinery and equipment	(467,052)	(167,137)	(184,583)	(449,606)
Total accumulated depreciation	<u>(16,069,777)</u>	<u>(643,774)</u>	<u>(409,231)</u>	<u>(16,304,320)</u>
Total capital assets being depreciated, net	<u>5,651,700</u>	<u>482,623</u>	<u>218,312</u>	<u>5,916,011</u>
Business-type activities, net	<u>\$ 15,769,999</u>	<u>\$ 1,939,128</u>	<u>\$ 4,445,545</u>	<u>\$ 13,263,582</u>

**Borough of East Stroudsburg
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Depreciation expense was charged to functions/programs of the Borough as follows:

Governmental activities	
General government	\$ 92,449
Public safety	124,540
Public works	283,602
Culture and recreation	<u>39,970</u>
Total depreciation expense - governmental activities	<u>\$ 540,561</u>
Business-type activities	
Sewer	\$ 280,244
Water	343,384
Golf course	<u>20,146</u>
Total depreciation expense - business-type activities	<u>\$ 643,774</u>

As of December 31, 2023, the Borough had an outstanding construction commitment for the middle dam rehabilitation project totaling \$71,108.

5. INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS,

The composition of interfund balances as of December 31, 2023 is as follows:

<u>Receivable to</u>	<u>Amount</u>	<u>Payable from</u>	<u>Amount</u>
Street Fund	\$ 41,201	General Fund	\$ 41,201
Fire Apparatus Fund	1,061	General Fund	1,061
Recreation Fund	18,147	General Fund	18,147
State Liquid Fuels Fund	275	General Fund	275
Sewer Fund	421,250	General Fund	421,250
Sewer Fund	540,000	Water Fund	540,000
Water Fund	752,491	General Fund	752,491
General Fund	7,521	Street Lighting Fund	7,521
General Fund	87	Debt Service Fund	87
General Fund	2,891	Pension Fund	2,891
General Fund	<u>18,883</u>	Golf Fund	<u>18,883</u>
	<u>\$ 1,803,807</u>		<u>\$ 1,803,807</u>

Interfund balances between funds represent temporary loans recorded at year-end as the result of a final allocation of revenues and expenditures. The balances are generally repaid shortly after year-end.

**Borough of East Stroudsburg
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A summary of interfund transfers for the year ended December 31, 2023 is as follows:

<u>Transfers in</u>	<u>Amount</u>	<u>Transfers out</u>	<u>Amount</u>
Water Fund	\$ 619,231	General Fund	\$ 619,231
Water Fund	1,456,505	Capital Projects Fund	1,456,505
Capital Projects Fund	2,186,875	Water Fund	2,186,875
State Liquid Fuels Fund	165,578	General Fund	165,578
Debt Service Fund	37,391	General Fund	37,391
	<u>\$ 4,465,580</u>		<u>\$ 4,465,580</u>

Interfund transfers represent annual appropriations to subsidize operations, capital projects and debt service requirements within other funds.

6. NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended December 31, 2023:

	<u>Balance January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2023</u>	<u>Amount Due Within One Year</u>
Governmental activities					
General obligation debt					
Notes payable	\$ 5,986,000	\$ 74,500	\$ 576,410	\$ 5,484,090	\$ 591,370
Other noncurrent liabilities					
Leases payable	164,170	-	26,449	137,721	19,507
Compensated absences	9,450	442	-	9,892	-
Net pension liability (asset)	(788,166)	-	(787,739)	(427)	-
Total other current liabilities	<u>(614,546)</u>	<u>442</u>	<u>(761,290)</u>	<u>147,186</u>	<u>19,507</u>
Total noncurrent liabilities governmental activities	<u>\$ 5,371,454</u>	<u>\$ 74,942</u>	<u>\$ (184,880)</u>	<u>\$ 5,631,276</u>	<u>\$ 610,877</u>

Noncurrent liabilities of governmental activities are to be liquidated by the General Fund and Debt Service Fund.

Business-type activities					
General obligation debt					
Notes payable	\$ 1,461,997	\$ 1,983,431	\$ 85,674	\$ 3,359,754	\$ 120,013
Other noncurrent liabilities					
Net pension liability (asset)	(816,775)	-	(909,054)	92,279	-
Compensated absences	17,236	11,614	-	28,850	-
Total other current liabilities	<u>(799,539)</u>	<u>11,614</u>	<u>(909,054)</u>	<u>121,129</u>	<u>-</u>
Total noncurrent liabilities governmental activities	<u>\$ 662,458</u>	<u>\$ 1,995,045</u>	<u>\$ (823,380)</u>	<u>\$ 3,480,883</u>	<u>\$ 120,013</u>

Noncurrent liabilities of business-type activities are to be liquidated by water and sewer operations.

General Obligation Debt

General obligation debt is a direct obligation of the Borough for which full faith and credit are pledged and are payable from local sources. The Borough has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

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General obligation debt outstanding as of December 31, 2023 consisted of the following:

Governmental Activities

On August 14, 2009, the Borough issued a \$2,230,000 Note Payable (the "Series 2009 Note") to a financial institution. The proceeds of the Series 2009 Note were used for (a) construction and renovation of a new fire station and related facilities and (b) payment of the costs to issue the Series 2009 Note. The Series 2009 Note is payable annually in varying amounts from November 2010 to November 2028. The interest on the Series 2009 Note is payable semi-annually in May and November at a rate of 3.11%. The amount outstanding under the Series 2009 Note was \$724,000 at December 31, 2023.

On January 15, 2016, the Borough issued a Note Payable (the "Series 2016 Note") to a financial institution to borrow a maximum of \$7,232,270. The proceeds from the issuance of the Series 2016 Note will be used to (a) refund the Borough's Series 2006 Note; (b) the acquisition and construction of upgrades alterations and improvements to the Middle Dam and Reservoir, aeration improvements in the water distribution system and other capital water system improvements; (c) the acquisition and construction of capital improvements to the Borough's facilities, including municipal building entry security renovations, improvements to Borough streets, garage, municipal parking lot, storm culverts, park swimming pool and restrooms, an electronic parking meter system and a park sprinkler system; (4) acquisition of equipment including a fire pumper truck, dump truck, a boom mower and other capital improvements and acquisitions and (d) to pay for the costs of issuance. The full amount borrowed will be payable annually in varying amounts from October 2016 through October 2035. Interest is payable semi-annually in April and October at a rate of 2.45% through April 2026 and will convert to a variable rate not to exceed 4.85% through October 2035. The actual amount advanced and outstanding as of December 31, 2023 is \$4,760,090.

Annual debt service requirements under the governmental activities general obligation debt is as follows:

<u>Year ending December 31,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2024	\$ 591,370	\$ 139,139	\$ 730,509
2025	606,650	123,799	730,449
2026	415,540	108,035	523,575
2027	387,240	96,900	484,140
2028	403,380	86,407	489,787
2029-2033	2,405,830	261,420	2,667,250
2034-2035	674,080	24,968	699,048
	<u>\$ 5,484,090</u>	<u>\$ 840,668</u>	<u>\$ 6,324,758</u>

Business-Type Activities

On August 31, 2009, the Borough issued an \$899,947 Note Payable (the "2009 Loan") to a government sponsored lending institution ("Pennvest"). The proceeds of the 2009 Loan were used for (a) the water line improvement project and (b) payment of costs to issue the 2009 Loan. The 2009 Loan is payable in 204 monthly payments ranging from \$4,195 to \$4,597, including interest ranging from 1.274% to 2.547%, through March 2030. The amount outstanding under the 2009 Loan was \$318,390 at December 31, 2023.

On May 2, 2012, the Borough issued a \$943,000 Note Payable (the "2012 Loan") to a government sponsored lending institution ("Pennvest"). The proceeds of the 2012 Loan were used for (a) dam rehabilitation project and (b) payment of costs to issue the 2012 Loan. The 2012 Loan is payable in 204 monthly payments ranging from \$3,773 to \$4,201, including interest ranging from 1.512% to 3.024%, through July 2032. The amount outstanding under the 2009 Loan was \$380,663 at December 31, 2023.

Borough of East Stroudsburg
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On March 31, 2021, the Borough issued a Note Payable (the "Series 2021 Note") to a financial institution to borrow a maximum of \$3,050,000. The proceeds from the issuance of the Series 2021 Note will be used a) for the middle dam renovation project; b) to perform other water capital improvement projects; and c) to pay for the costs of issuance. The full amount borrowed will be payable annually in varying amounts from October 2023 through October 2041. Interest is payable semi-annually in April and October at a rate of 2.50%. The actual amount advanced and outstanding as of December 31, 2023 is \$2,660,701.

Annual debt service requirements under the business-type activities general obligation debt is as follows:

<u>Year ending December 31,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2024	\$ 120,013	\$ 85,041	\$ 205,054
2025	123,280	81,781	205,061
2026	126,634	78,431	205,065
2027	130,070	74,990	205,060
2028	133,608	71,454	205,062
2029-2033	434,898	312,159	747,057
2034-2038	1,334,490	248,229	1,582,719
2039-2041	956,761	38,684	995,445
	<u>\$ 3,359,754</u>	<u>\$ 990,769</u>	<u>\$ 4,350,523</u>

Leases Payable

The Borough has entered into lease agreements for the financing of a fire pumper and public works equipment. Initial lease liabilities have been recorded in the amount of \$234,628. Lease payments are due both annually and monthly in varying amounts with interest rates ranging from 2.00% to 4.80%. As of December 31, 2023, the value of the lease liabilities was \$137,721. The assets are recorded in the amount of \$234,628 with an accumulated depreciation of \$147,702 as of December 31, 2023 and is included with noncurrent assets on the statement of net position.

The future minimum lease payments under the capital leases and the net present value of the future minimum lease payments as of December 31, 2023 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,507	\$ 2,576	\$ 22,083
2025	19,901	2,183	22,084
2026	20,302	1,781	22,083
2027	20,712	1,371	22,083
2028	21,130	953	22,083
2029-2030	36,169	636	36,805
	<u>\$ 137,721</u>	<u>\$ 9,500</u>	<u>\$ 147,221</u>

**Borough of East Stroudsburg
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7. EMPLOYEE RETIREMENT PLANS

Non-Uniform Pension Fund

The East Stroudsburg Borough Non-Uniform Pension Fund accounts for a single-employer defined benefit pension plan (the "Plan") controlled by the provisions of Ordinance Number 1258 of the Borough. The Non-Uniform Pension Plan participates in the Pennsylvania Municipal Retirement System ("PMRS"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by writing to Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, PA 17108-1165; or by accessing its website at <http://www.pmrs.state.pa.us/publications/index.html>.

Plan Membership

Membership in the Plan consisted of the following at January 1, 2023:

Active employees	9
Retirees and beneficiaries currently receiving benefits	20
Terminated plan members entitled to but not yet receiving benefits	<u>3</u>
Total	<u>32</u>

Benefit Provisions

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

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Plan are reported at fair value. The Plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB for aggregate PMRS investments are included in PMRS's comprehensive annual financial report.

Contributions

Annual contributions to the Plan are based upon the minimum municipal obligation (the "MMO"). The MMO is derived from the Plan's biennial actuarial valuation. Members in the Plan are required to contribute up to a maximum of 3.50% of total compensation determined annually by Borough Council. The Commonwealth of Pennsylvania provides an allocation of funds which must be used for pension funding. Any funding requirements established by the MMO in excess of employee and state contributions must be funded by the Borough.

Administrative Costs

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

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 5.25% percent investment rate of return (net of administrative costs) and (b) 2.80% inflation and salary increases ranging from 2.80% to 7.05%. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

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Discount Rate

The discount rate used to measure the total pension liability is 5.25%. The projection of cash flows used to determine the discount rate assumes that the employer will continue the historical and legally required practice of contributing to the plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, the expected administrative expenses, and an amount necessary to amortize the remaining unfunded actuarial liability as a level dollar amount over a closed period. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PMRS Board of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully-funded status for the benefits provided through the pension.

A schedule of plan investments by asset class, target allocations, and long-term expected real rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Nominal Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities (large capitalized firms)	24.50%	7.50%	5.00%
Domestic Equities (small capitalized firms)	8.00%	8.20%	5.70%
International Equities (international developed markets)	14.50%	7.60%	5.10%
International Equities (emerging markets)	3.00%	8.01%	5.51%
Global Equities	5.00%	7.03%	4.53%
Real Estate	10.00%	7.42%	4.92%
Timber	5.00%	6.50%	4.00%
Fixed Income (core investment grade)	24.00%	4.60%	2.10%
Fixed Income (opportunistic credit)	5.00%	8.00%	5.50%
Cash	<u>1.00%</u>	<u>2.20%</u>	<u>-0.30%</u>
Total portfolio	<u>100.00%</u>	<u>7.43%</u>	<u>4.93%</u>

The above was the PMRS Board's adopted asset allocation policy and best estimates of geometrical real rates of return for each major asset class as of December 31, 2022.

Net Pension Liability (Asset)

The Borough's net pension liability (asset) has been measured as of December 31, 2022. The total pension liability (asset) was determined by an actuarial valuation as of January 1, 2023 with liabilities measured at December 31, 2022. The net pension asset is \$147,902 measured as the difference between the total pension liability (asset) of \$8,033,689 and the fiduciary net position of \$7,885,787,

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As of December 31, 2023, the net pension asset of \$49,857 is related to the governmental funds and is only recorded in the governmental activities in the government-wide statement of net position. The remaining \$98,045 of the net pension asset is recorded in the Sewer Fund for \$39,610 and in the Water Fund for \$58,435 in the proprietary funds statement of net position, and in the business-type activities in the government-wide statement of net position.

The Borough's change in total pension liability, plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2022 were as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Fiduciary Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances as of December 31, 2021	\$ 8,035,455	\$ 9,530,538	\$ (1,495,083)
Changes for the year:			
Service cost	103,316	-	103,316
Interest on total pension liability actual experience	412,819	-	412,819
Employer contributions	22,075	-	22,075
Member contributions	-	179,223	(179,223)
PMRS investment income	-	38,289	(38,289)
Market value investment income	-	413,472	(413,472)
Benefit payments	-	(1,713,252)	1,713,252
PMRS administrative expense	(539,976)	(539,976)	-
Additional administrative expense	-	(660)	660
Net changes	(1,766)	(21,847)	21,847
Balances as of December 31, 2022	\$ 8,033,689	\$ 7,885,787	\$ 147,902

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Borough calculated using the discount rate 5.25%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

	1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability (asset)	\$ 993,709	\$ 147,902	\$ (583,746)

Borough of East Stroudsburg
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2023, the Borough recognized pension expense of \$178,187. At December 31, 2023 the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 14,717	\$ 109,056
Changes in assumptions	104,454	-
Net difference between projected and actual earnings on pension plan investments	585,914	-
Contributions subsequent to the measurement date	<u>193,934</u>	<u>-</u>
	<u>\$ 899,019</u>	<u>\$ 109,056</u>

An amount of \$193,934 reported as deferred outflows of resources related to pensions resulting from the Borough contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

Year ending December 31,

2023	\$ (78,879)
2024	136,175
2025	196,082
2026	<u>342,652</u>
	<u>\$ 596,030</u>

Actuarial Methods and Significant Assumptions

- Investment return – 5.25% (including inflation)
- Discount rate – 5.25%
- Inflation – 2.80%
- Salary increases –age related scale with merit and inflation component
- Pre-retirement mortality – Males: RP 2000 non-annuitant male table projected 15 years with scale AA; Females: RP-2000 non-annuitant female table projected 15 years with scale AA, setback 5 years
- Pre-retirement mortality – Males: RP 2000 non-annuitant male table projected 15 years with scale AA; Females: RP-2000 non-annuitant female table projected 15 years with scale AA, setback 5 years

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

Nonuniform Cash Balance Pension Fund

The East Stroudsburg Nonuniform Cash Balance Pension Fund accounts for a single-employer defined benefit pension plan (the "Cash Balance Plan") controlled by the provisions of Ordinance Number 1258 of the Borough. All employees hired after June 30, 2012 are required to participate in the Cash Balance Pension Plan. The Cash Balance Pension Plan participates in the Pennsylvania Municipal Retirement System ("PMRS"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. A copy of the report may be obtained by writing to Pennsylvania Municipal Retirement System, P.O. Box 1165, Harrisburg, PA 17108-1165; or by accessing its website at <http://www.pMrs.state.pa.us/publications/index.html>.

Plan Membership

Membership in the Cash Balance Plan consisted of the following at January 1, 2023:

Active employees	17
Retirees and beneficiaries currently receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	<u>1</u>
Total	<u>18</u>

Benefit Provisions

The Cash Balance Plan provides retirement, disability and death benefits to plan members and their beneficiaries. Cost-of-living allowances are provided at the discretion of the Cash Balance Plan. However the benefits are limited to each members' account balance at retirement.

Basis of Accounting

The Cash Balance Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Nonuniform Pension Plan are reported at fair value. The Nonuniform Pension Plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by GASB for aggregate PMRS investments are included in PMRS's comprehensive annual financial report.

Contributions

The Borough is required to contribute 6.00% of the members' total compensation to the Cash Balance Plan. Members are not required to contribute to the Cash Balance Plan but may make a voluntary contribution up to 10.00% of total compensation.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services are charged to the Cash Balance Plan and funded through investment income.

Annual Pension Cost

The annual required contribution was determined as part of the January 1, 2023 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 5.25% percent investment rate of return (net of administrative costs) and (b) 2.80% inflation and salary increases ranging from 2.80% to 7.05%. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

Discount Rate

The discount rate used to measure the total pension liability is 5.25%. The projection of cash flows used to determine the discount rate assumes that the employer will continue the historical and legally required practice of contributing to the plan based on an actuarially determined contribution, reflecting a payment equal to annual normal cost, the expected administrative expenses, and an amount necessary to amortize the remaining unfunded actuarial liability as a level dollar amount over a closed period. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PMRS Board of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully-funded status for the benefits provided through the pension.

A schedule of plan investments by asset class, target allocations, and long-term expected real rate of return is as follows:

	<u>Target Allocation</u>	<u>Nominal Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities (large capitalized firms)	24.50%	7.50%	5.00%
Domestic Equities (small capitalized firms)	8.00%	8.20%	5.70%
International Equities (international developed markets)	14.50%	7.60%	5.10%
International Equities (emerging markets)	3.00%	8.01%	5.51%
Global Equities	5.00%	7.03%	4.53%
Real Estate	10.00%	7.42%	4.92%
Timber	5.00%	6.50%	4.00%
Fixed Income (core investment grade)	24.00%	4.60%	2.10%
Fixed Income (opportunistic credit)	5.00%	8.00%	5.50%
Cash	1.00%	2.20%	-0.30%
Total portfolio	<u>100.00%</u>	<u>7.43%</u>	<u>4.93%</u>

The above was the PMRS Board's adopted asset allocation policy and best estimates of geometrical real rates of return for each major asset class as of December 31, 2022.

Net Pension Liability (Asset)

The Borough's net pension liability (asset) has been measured as of December 31, 2022. The total pension liability was determined by an actuarial valuation as of January 1, 2023 with liabilities measured at December 31, 2022. The net pension asset is \$56,051 and measured as the difference between the total pension liability of \$300,512 and the fiduciary net position of \$356,563.

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

As of December 31, 2023, the net pension asset of \$50,285 is related to the governmental funds and is only recorded in the governmental activities in the government-wide statement of net position. The remaining \$5,766 of the net pension asset is recorded in the Sewer Fund for \$746 and in the Water Fund for \$5,020 in the proprietary funds statement of net position, and in the business-type activities in the government-wide statement of net position.

The Borough's change in total pension liability, plan fiduciary net position, and net pension liability for the year ended December 31, 2022 were as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Fiduciary Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances as of December 31, 2021	\$ 229,007	\$ 338,865	\$ (109,858)
Changes for the year:			
Service cost	60,195	-	60,195
Interest on total pension liability	13,158	-	13,158
Difference between expected and actual experience	(1,848)	-	(1,848)
Employer contributions	-	49,964	(49,964)
Member contributions	-	10,591	(10,591)
PMRS investment income	-	16,147	(16,147)
Market value investment income	-	(57,791)	57,791
Transfers			
Benefit payments	-	-	-
PMRS administrative expense	-	(360)	360
Additional administrative expense	-	(853)	853
Net changes	<u>71,505</u>	<u>17,698</u>	<u>53,807</u>
Balances as of December 31, 2022	<u>\$ 300,512</u>	<u>\$ 356,563</u>	<u>\$ (56,051)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Borough calculated using the discount rate 5.25%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

	1% Decrease 4.25%	Current Discount Rate 5.25%	1% Increase 6.25%
Net pension liability (asset)	\$ 4,051	\$ (56,051)	\$ (116,154)

Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023

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

For the year ended December 31, 2023, the Borough recognized pension expense of \$43,319. At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 36,126
Net difference between projected and actual earnings on pension plan investments	17,580	-
Contributions subsequent to the measurement date	<u>59,688</u>	<u>-</u>
	<u>\$ 77,268</u>	<u>\$ 36,126</u>

An amount of \$59,688 reported as deferred outflows of resources related to pensions resulting from the Borough contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

Year ending December 31,

2023	\$ (6,757)
2024	(3,018)
2025	1,471
2026	7,836
2027	(3,723)
Thereafter	<u>(14,355)</u>
	<u>\$ (18,546)</u>

Actuarial Methods and Significant Assumptions

- Investment return – 5.25% (including inflation)
- Discount rate – 5.25%
- Inflation – 2.80%
- Salary increases – age related scale with merit and inflation component
- Pre-retirement mortality – Males: RP 2000 non-annuitant male table projected 15 years with scale AA; Females: RP-2000 non-annuitant female table projected 15 years with scale AA, setback 5 years
- Pre-retirement mortality – Males: RP 2000 non-annuitant male table projected 15 years with scale AA; Females: RP-2000 non-annuitant female table projected 15 years with scale AA, setback 5 years

**Borough of East Stroudsburg
Notes to Financial Statements
December 31, 2023**

8. CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The Borough receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. Borough officials do not expect any significant adjustments as a result of these examinations.

Litigation

The Borough is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

9. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs including workers compensation. For insured programs, there were no significant reductions in insurance coverage during 2023. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Borough participates in a consortium with other Pennsylvania municipalities and other governmental agencies to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses and dependents. Accordingly benefit payments plus an administrative charge are made to a third party administrator, who approves and processes all claims.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 23, 2025, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2023 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 1,445,925	\$ 1,398,855	\$ (47,070)
Real estate-current year levy - interim	192	1,856	1,664
Real estate-prior years levy	320	523	203
Real estate-payment in lieu	5,500	6,927	1,427
Real estate-delinquent taxes	<u>79,664</u>	<u>69,312</u>	<u>(10,352)</u>
Total real estate taxes	<u>1,531,601</u>	<u>1,477,473</u>	<u>(54,128)</u>
Local tax enabling act (Act 511)			
Real estate transfer	185,000	143,855	(41,145)
Earned income tax	925,000	1,055,217	130,217
Municipal services tax	<u>295,000</u>	<u>307,759</u>	<u>12,759</u>
Total local tax enabling act	<u>1,405,000</u>	<u>1,506,831</u>	<u>101,831</u>
Total taxes	<u>2,936,601</u>	<u>2,984,304</u>	<u>47,703</u>
Licenses and permits			
Health/restaurant licenses	14,500	21,812	7,312
Rental license	165,000	163,159	(1,841)
Cable TV franchise tax	118,500	96,958	(21,542)
Event permit fees	1,500	775	(725)
Street opening permits	9,000	15,160	6,160
Zoning permits and fees	200,000	133,194	(66,806)
Zoning plan review	22,500	46,028	23,528
Short term rental license	2,500	-	(2,500)
Miscellaneous permits	<u>10,000</u>	<u>1,515</u>	<u>(8,485)</u>
Total licenses and permits	<u>543,500</u>	<u>478,601</u>	<u>(64,899)</u>
Fines and forfeits			
Vehicle code violations	190,000	168,202	(21,798)
Violation of zoning ordinances and statutes	36,000	13,568	(22,432)
Vehicle boot fines	<u>-</u>	<u>50</u>	<u>50</u>
Total fines and forfeits	<u>226,000</u>	<u>181,820</u>	<u>(44,180)</u>
Interest, rent and royalties			
Interest income	5,500	46,002	40,502
Royalties - cell tower	30,125	31,734	1,609
Rent of buildings	<u>100</u>	<u>-</u>	<u>(100)</u>
Total interest, rent and royalties	<u>35,725</u>	<u>77,736</u>	<u>42,011</u>
Intergovernmental revenues			
Recycling/Act 101	22,000	24,556	2,556
General municipal pension aid	46,070	53,130	7,060
Public utility realty/beverage tax	3,875	7,120	3,245
American recovery funds	265,000	635,732	370,732
Fire insurance premium tax	<u>46,750</u>	<u>49,779</u>	<u>3,029</u>
Total intergovernmental revenues	<u>383,695</u>	<u>770,317</u>	<u>386,622</u>

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues (continued)			
Charges for services			
Closing report fee	\$ 12,500	\$ 7,905	\$ (4,595)
Copies	15	1	(14)
Rental unit reinspection fees	500	-	(500)
Meter revenue	125,000	104,368	(20,632)
Parking permits	18,000	17,494	(506)
Parking permits-residential	525	5,008	4,483
Meter bags	850	1,808	958
PennDOT snow removal	20,582	24,585	4,003
Borough DPW services	750	455	(295)
Solid waste user fees	1,038,695	903,938	(134,757)
Solid waste fees prior/delinquent	15,500	20,008	4,508
Solid waste bulk	15,500	18,144	2,644
Lien rents solid waste	1,500	18,075	16,575
Garbage lien interest	8,500	6,433	(2,067)
Total charges for services	<u>1,258,417</u>	<u>1,128,222</u>	<u>(130,195)</u>
Miscellaneous			
Miscellaneous income	550	18,166	17,616
Shopping cart fees	5,500	2,475	(3,025)
Stroudsburg share of employees	17,992	8,868	(9,124)
Employee contribution healthcare	9,099	7,922	(1,177)
Damage to Borough property	15,000	465	(14,535)
Dividends received	54,000	174,152	120,152
Total miscellaneous	<u>102,141</u>	<u>212,048</u>	<u>109,907</u>
Total revenues	<u>5,486,079</u>	<u>5,833,048</u>	<u>346,969</u>
Expenditures			
General government			
Legislative body			
Council salary	4,705	5,881	(1,176)
Mayor salary	5,000	5,863	(863)
FICA	602	753	(151)
Medicare	141	176	(35)
Training/conferences	1,000	-	1,000
Dues/subscriptions	2,250	5,595	(3,345)
Miscellaneous/travel	6,064	7,699	(1,635)
Total legislative body	<u>19,762</u>	<u>25,967</u>	<u>(6,205)</u>

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General government (continued)			
Administration			
Manager salary	\$ 37,266	\$ 47,665	\$ (10,399)
Director of public works salary	28,080	6,960	21,120
Staff salary	81,900	56,791	25,109
Utility billing coordinator	10,889	8,848	2,041
FICA	10,170	4,064	6,106
Medicare	2,378	101	2,277
Overtime	450	2,170	(1,720)
Office supplies	2,400	4,587	(2,187)
Office equipment/furniture	300	2,127	(1,827)
IT expenses	4,950	8,916	(3,966)
Computer equipment/supplies	3,000	5,047	(2,047)
Equipment repairs/maintenance	825	803	22
Vehicle expense	450	254	196
Data storage software	2,550	1,160	1,390
Telephone/internet	2,595	2,637	(42)
Postage	5,550	2,198	3,352
Travel	960	-	960
Advertising/printing	1,650	4,035	(2,385)
Dues/subscription/memberships	3,750	7,728	(3,978)
Conferences/training	750	2,234	(1,484)
New vehicle	9,250	103,119	(93,869)
Property and liability insurance	10,379	9,962	417
Workers compensation insurance	1,640	3,951	(2,311)
Public officials liability	1,071	1,169	(98)
Life/disability insurance	1,573	1,197	376
Major medical (BC/BS)	41,340	32,916	8,424
Health insurance buyout/HRA	1,004	1,219	(215)
Nonuniform pension MMO	14,382	14,917	(535)
Unemployment compensation	1,339	1,513	(174)
Total administration	<u>282,841</u>	<u>338,288</u>	<u>(55,447)</u>
Auditing services/financial administration			
Trustee charge bond payment	1,625	2,118	(493)
Auditing services	14,640	14,409	231
Accounting services	3,250	1,372	1,878
Billing software			-
Accounting software	2,300	3,572	(1,272)
Credit card fees	5,700	9,759	(4,059)
Total auditing services/financial administration	<u>27,515</u>	<u>31,230</u>	<u>(3,715)</u>
Tax collection			
Salary-tax collector	4,233	4,063	170
FICA	262	73	189
Medicare	61	17	44
Materials and supplies	1,594	856	738
Commissions			
Delinquent real estate	1,594	2,979	(1,385)

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General government (continued)			
Tax collection (continued)			
Local service tax	\$ 4,500	\$ 4,614	\$ (114)
Earned income tax	15,500	15,577	(77)
Real estate transfer tax	<u>1,500</u>	<u>2,877</u>	<u>(1,377)</u>
Total tax collection	<u>29,244</u>	<u>31,056</u>	<u>(1,812)</u>
Solicitor/legal services			
Legal expenses	<u>100,000</u>	<u>120,792</u>	<u>(20,792)</u>
Engineering services			
Engineering services	<u>-</u>	<u>69,170</u>	<u>(69,170)</u>
General government buildings and plant			
Materials and supplies	450	104	346
Electricity	4,568	5,748	(1,180)
Electricity annex	1,125	1,600	(475)
Gas (heat) annex	1,013	1,034	(21)
Maintenance and repair	1,575	3,466	(1,891)
Maintenance and repair annex	<u>1,125</u>	<u>9,770</u>	<u>(8,645)</u>
Capital purchase	<u>-</u>	<u>-</u>	<u>-</u>
Total general government buildings and plant	<u>9,856</u>	<u>21,722</u>	<u>(11,866)</u>
Total general government	<u>469,218</u>	<u>638,225</u>	<u>(169,007)</u>
Public safety			
Police			
Regional police services	<u>2,840,516</u>	<u>2,840,516</u>	<u>-</u>
Fire			
Auxiliary donation	15,000	3,300	11,700
Vehicle maintenance/supplies	7,500	10,346	(2,846)
Small tools/equipment	5,500	4,455	1,045
Telephone/internet	2,500	3,601	(1,101)
Radio maintenance	10,000	-	10,000
Electricity	11,500	10,654	846
Gas (heat)	5,000	366	4,634
Equipment testing	10,000	6,938	3,062
Building maintenance	28,500	7,012	21,488
Contracted services	2,500	-	2,500
Mileage	1,000	-	1,000
Contribution - fire relief fund	41,500	49,779	(8,279)
Workers compensation insurance	<u>16,005</u>	<u>9,782</u>	<u>6,223</u>
Total fire	<u>156,505</u>	<u>106,233</u>	<u>50,272</u>

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public safety (continued)			
UCC and code enforcement			
Code enforcement officer salary	\$ 30,240	\$ 35,941	\$ (5,701)
Staff salary	126,750	151,085	(24,335)
FICA	9,826	8,900	926
Medicare	2,298	2,193	105
Overtime	1,500	-	1,500
Materials and supplies	1,250	2,644	(1,394)
Computer equipment/supplies	4,500	2,218	2,282
Vehicle operation	750	-	750
Vehicle maintenance	750	122	628
Software license	8,000	7,514	486
Advertising/printing	2,500	4,022	(1,522)
Dues/subscriptions/memberships	750	1,906	(1,156)
Conferences/training	500	150	350
Capital purchase	18,500	-	18,500
Property and liability insurance	10,338	8,497	1,841
Workers compensation insurance	4,934	3,370	1,564
Public officials liability	1,067	998	69
Life/disability insurance	1,567	1,021	546
Major medical (BC/BS)	41,184	28,078	13,106
Health insurance buyout/HRA	1,000	1,040	(40)
Nonuniform pension MMO	14,328	12,724	1,604
Unemployment compensation	1,334	1,290	44
Total UCC and code enforcement	<u>283,866</u>	<u>273,713</u>	<u>10,153</u>
Planning and zoning			
Engineering	5,500	19,282	(13,782)
Legal services	-	2,284	(2,284)
Contracted permitting	150,000	114,632	35,368
Total planning and zoning	<u>155,500</u>	<u>136,198</u>	<u>19,302</u>
Emergency services			
Monroe County Control Center	63,921	63,921	-
Total public safety	<u>3,500,308</u>	<u>3,420,581</u>	<u>79,727</u>
Human and health services			
General health services			
Salaries and wages	9,607	7,500	2,107
FICA	596	486	110
Medicare	139	78	61
Material and supplies	150	-	150
Computer equipment/supplies	35	-	35
Total human and health services	<u>10,527</u>	<u>8,064</u>	<u>2,463</u>

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works - sanitation			
Recycling/solid waste collection and disposal			
Staff salaries	\$ 114,222	\$ 107,394	\$ 6,828
FICA	7,082	2,803	4,279
Medicare	1,656	1,997	(341)
Overtime	500	-	500
Materials and supplies	1,250	897	353
Recycling grant to Twin boroughs	22,000	24,556	(2,556)
Conferences/training	500	-	500
Landfill engineering	8,500	10,037	(1,537)
Refuse collection/disposal contract	989,576	869,223	120,353
Trash bags	7,500	12,019	(4,519)
Property and liability insurance	9,436	8,575	861
Workers compensation insurance	1,492	3,401	(1,909)
Public officials liability	974	1,007	(33)
Life/disability insurance	1,431	1,030	401
Major medical (BC/BS)	37,590	28,333	9,257
Health insurance buyout/HRA	913	1,049	(136)
Nonuniform pension MMO	13,078	12,840	238
Unemployment compensation	1,218	1,302	(84)
Total public works - sanitation	<u>1,218,918</u>	<u>1,086,463</u>	<u>132,455</u>
Public works - highways and streets			
Street department			
Street superintendent salary	22,919	24,682	(1,763)
Staff salary	150,135	106,794	43,341
FICA	11,042	7,807	3,235
Medicare	2,582	2,453	129
Overtime	5,038	9,297	(4,259)
Office supplies	81	402	(321)
Computer equipment/supplies	488	1,565	(1,077)
Office equipment maintenance/repair	81	1,173	(1,092)
Vehicle operation (fuel, oil, fluids)	15,600	10,610	4,990
Uniforms	975	2,055	(1,080)
Vehicle maintenance repair	5,038	4,005	1,033
Small tools/minor equipment	650	940	(290)
Drug testing	179	290	(111)
Telephone/internet	406	405	1
Travel	276	-	276
Electricity	650	1,224	(574)

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works - highways and streets (continued)			
Gas (heat)	\$ 1,706	\$ 1,529	\$ 177
Building Maintenance	3,250	7,685	(4,435)
Equipment maintenance and repair	6,013	12,170	(6,157)
Conferences/training	325	1,274	(949)
Capital improvements	68,250	18,833	49,417
Equipment lease	10,448	19,463	(9,015)
Property-liability insurance	13,569	13,832	(263)
Workers comp insurance	2,145	5,486	(3,341)
Public officials liability	1,401	1,624	(223)
Life/disability insurance	2,057	1,663	394
Major medical (BC/BS)	54,053	45,710	8,343
Health insurance buyout/HRA	1,313	1,693	(380)
Nonuniform pension MMO	18,805	20,715	(1,910)
Unemployment compensation	<u>1,751</u>	<u>2,101</u>	<u>(350)</u>
Total street department	<u>401,226</u>	<u>327,480</u>	<u>73,746</u>
Cleaning of streets and gutters			
Machinery maintenance/supplies	<u>5,500</u>	<u>12,624</u>	<u>(7,124)</u>
Winter maintenance - snow removal			
Snow and ice removal supplies	<u>2,750</u>	<u>12,822</u>	<u>(10,072)</u>
Traffic control devices			
Electric	-	275	(275)
Material and supplies	<u>2,750</u>	<u>138</u>	<u>2,612</u>
	<u>2,750</u>	<u>413</u>	<u>2,337</u>
Street lighting			
Electric	-	(2,689)	2,689
Street light repair	-	524	(524)
Operation/maintenance	<u>750</u>	<u>276</u>	<u>474</u>
Total street lighting	<u>750</u>	<u>(1,889)</u>	<u>2,639</u>
Storm sewers and drains			
Materials and supplies	425	-	425
Storm Water Project MS4	<u>97,500</u>	<u>-</u>	<u>97,500</u>
Total storm sewers and drains	<u>97,925</u>	<u>-</u>	<u>97,925</u>
Maintenance and repairs of roads and bridges			
Materials and supplies/street maintenance	775	6,966	(6,191)
Street paving	<u>-</u>	<u>442</u>	<u>(442)</u>
Total maintenance and repairs of roads and bridges	<u>775</u>	<u>7,408</u>	<u>(6,633)</u>
Total public works - highways and streets	<u>511,676</u>	<u>358,858</u>	<u>152,818</u>

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works - other			
Parking			
Parking enforcement officer	\$ 81,796	\$ 39,097	\$ 42,699
FICA	5,118	5,577	(459)
Medicare	1,197	1,406	(209)
Overtime	750	-	750
Uniforms	850	2,099	(1,249)
Snow removal supplies	-	-	-
Vehicle registration/inspection	1,500	1,463	37
Meter purchase	3,500	3,599	(99)
Parking permits	2,500	48	2,452
Software	10,500	10,802	(302)
Postage	500	500	-
Radio purchase/maintenance	750	212	538
Advertising/printing	2,250	1,723	527
Parking lot maintenance	250	143	107
Meter repair/maintenance supplies	750	1,981	(1,231)
Capital purchase	18,500	-	18,500
Property and liability insurance	6,600	4,488	2,112
Workers compensation insurance	1,043	1,780	(737)
Public officials liability	681	527	154
Life/disability insurance	1,001	539	462
Major medical (BC/BS)	26,291	14,828	11,463
Health insurance buyout/HRA	639	549	90
Nonuniform pension MMO	9,147	6,720	2,427
Unemployment compensation	852	681	171
Total parking	<u>176,965</u>	<u>98,762</u>	<u>78,203</u>
Storm water and flood control			
Engineering	10,500	-	10,500
Levee maintenance	175,000	191,152	(16,152)
Equipment maintenance and repairs	750	861	(111)
Total storm water and flood control	<u>186,250</u>	<u>192,013</u>	<u>(5,763)</u>
Total public works - other	<u>363,215</u>	<u>290,775</u>	<u>72,440</u>
Culture and recreation			
Participant recreation			
Building maintenance/repair	-	29	(29)
Electric	-	36	(36)
Capital Parks	6,500	5,000	1,500
MCCD stream gauge	500	-	500
Total participant recreation	<u>7,000</u>	<u>5,065</u>	<u>1,935</u>

**Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Parks			
Electric	\$ -	\$ 82	\$ (82)
Equipment maintenance and repairs	-	111	(111)
Building maintenance and repairs	-	163	(163)
Total parks	<u>-</u>	<u>356</u>	<u>(356)</u>
Shade trees			
Materials and supplies	2,500	2,484	16
Maintenance	7,500	16,800	(9,300)
New planting	2,500	690	1,810
Total shade trees	<u>12,500</u>	<u>19,974</u>	<u>(7,474)</u>
Total culture and recreation	<u>19,500</u>	<u>25,395</u>	<u>(5,895)</u>
Community development			
Economic development			
Comprehensive plan implementation	<u>5,000</u>	<u>6,324</u>	<u>(1,324)</u>
Community development (continued)			
Community development - other			
Maintenance and repair (decorations)	750	5,851	(5,101)
IBW	1,500	-	1,500
Contribution ECA	10,000	10,000	-
Total community development - other	<u>12,250</u>	<u>15,851</u>	<u>(3,601)</u>
Total community development	<u>17,250</u>	<u>22,175</u>	<u>(4,925)</u>
Total expenditures	<u>6,110,612</u>	<u>5,850,536</u>	<u>260,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(624,533)</u>	<u>(17,488)</u>	<u>607,045</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(13,075)	(822,200)	(809,125)
Sale of capital assets	650,000	52,549	(597,451)
Total other financing sources (uses)	<u>636,925</u>	<u>(769,651)</u>	<u>(1,406,576)</u>
Net change in fund balance	<u>\$ 12,392</u>	<u>(787,139)</u>	<u>\$ (799,531)</u>
Fund balance			
Beginning of the year		<u>206,602</u>	
End of year		<u>\$ (580,537)</u>	

See Independent Auditor's Report.

Borough of East Stroudsburg
Schedules of Changes in Net Pension Liability (Asset)
Year ended December 31,

	Measurement Date																	
	2022		2021		2020		2019		2018		2017		2016		2015		2014	
	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund	Nonuniform Pension Fund	Cash Balance Pension Fund
Total pension liability																		
Service cost	\$ 103,316	\$ 60,195	\$ 107,553	\$ 52,162	\$ 117,781	\$ 47,879	\$ 130,137	\$ 49,400	\$ 133,431	\$ 49,614	\$ 142,081	\$ 23,228	\$ 154,308	\$ 14,911	\$ 173,321	\$ 11,827	\$ 173,277	\$ 8,272
Interest on total pension liability	412,819	13,158	409,466	10,215	404,655	8,495	398,547	6,013	382,052	4,151	374,727	2,392	375,390	1,810	362,036	1,094	346,877	503
Changes of assumptions	-	-	-	-	417,822	-	-	-	-	-	-	-	182,587	-	(64,731)	-	-	-
Changes of benefits	-	-	-	-	-	-	-	-	-	661	-	-	-	-	-	-	-	-
Differences between expected and actual experience	22,075	(1,848)	-	(31,317)	(436,223)	(7,791)	-	-	197,635	(1)	-	(8,424)	(123,841)	(1,153)	-	-	(8,711)	-
Transfers	-	-	-	-	-	-	-	(21,654)	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(539,976)	-	(356,681)	-	(439,038)	-	(360,992)	-	(428,081)	-	(310,112)	-	(221,526)	-	(193,095)	-	(275,253)	-
Net change in total pension liability	(1,766)	71,505	160,338	31,060	64,997	48,583	167,692	33,759	285,037	54,425	206,696	17,196	366,918	15,568	277,531	12,921	236,190	8,775
Total pension liability, beginning	8,035,455	229,007	7,875,117	197,947	7,810,120	149,364	7,642,428	115,605	7,357,391	61,180	7,150,695	43,984	6,783,777	28,416	6,506,246	15,495	6,270,056	6,720
Total pension liability, ending	\$ 8,033,689	\$ 300,512	\$ 8,035,455	\$ 229,007	\$ 7,875,117	\$ 197,947	\$ 7,810,120	\$ 149,364	\$ 7,642,428	\$ 115,605	\$ 7,357,391	\$ 61,180	\$ 7,150,695	\$ 43,984	\$ 6,783,777	\$ 28,416	\$ 6,506,246	\$ 15,495
Plan fiduciary net position																		
Employer contributions	\$ 179,223	\$ 49,964	\$ 192,329	\$ 42,375	\$ 195,322	\$ 40,096	\$ 199,838	\$ 49,361	\$ 238,461	\$ 34,610	\$ 234,212	\$ 21,775	\$ 229,485	\$ 15,051	\$ 232,435	\$ 11,927	\$ 187,558	\$ 8,352
Member contributions	38,289	10,591	36,661	10,147	33,527	8,083	35,816	8,044	35,488	7,560	37,113	400	43,883	-	44,346	-	41,696	-
PMRS investment income	413,472	16,147	400,289	12,150	395,233	9,428	372,894	6,646	335,039	4,363	320,077	2,669	333,020	1,750	314,814	1,136	297,934	518
Market value investment income	(1,713,252)	(57,791)	732,840	26,546	336,330	22,473	1,052,268	18,677	(653,303)	(11,226)	706,859	6,325	142,966	(178)	(321,885)	(1,779)	2,460	(133)
Transfers	-	-	-	-	-	-	-	(21,654)	-	-	-	-	-	-	-	-	-	-
Benefit payments	(539,976)	-	(356,681)	-	(439,038)	-	(360,992)	-	(428,081)	-	(310,112)	-	(221,526)	-	(193,095)	-	(275,253)	-
PMRS administrative expense	(660)	(360)	(680)	(360)	(680)	(300)	(680)	(280)	(680)	(160)	(680)	(120)	(680)	(80)	(680)	(100)	(700)	(80)
Additional administrative expense	(21,847)	(853)	(22,672)	(688)	(17,220)	(411)	(12,889)	(230)	(14,951)	(195)	(14,720)	(123)	(16,315)	(86)	(13,124)	(47)	(11,426)	(20)
Net change in plan fiduciary net position	(1,644,751)	17,698	982,086	90,170	503,474	79,369	1,286,255	60,564	(488,027)	34,952	972,749	30,926	510,833	16,457	62,811	11,137	242,269	8,637
Fiduciary net position, beginning	9,530,538	338,865	8,548,452	248,695	8,044,978	169,326	6,758,723	108,762	7,246,750	73,810	6,274,001	42,884	5,763,168	26,427	5,700,357	15,290	5,458,088	6,653
Fiduciary net position, ending	\$ 7,885,787	\$ 356,563	\$ 9,530,538	\$ 338,865	\$ 8,548,452	\$ 248,695	\$ 8,044,978	\$ 169,326	\$ 6,758,723	\$ 108,762	\$ 7,246,750	\$ 73,810	\$ 6,274,001	\$ 42,884	\$ 5,763,168	\$ 26,427	\$ 5,700,357	\$ 15,290
Net pension liability (asset), ending	\$ 147,902	\$ (56,051)	\$ (1,495,083)	\$ (109,858)	\$ (673,335)	\$ (50,748)	\$ (234,858)	\$ (19,962)	\$ 883,705	\$ 6,843	\$ 110,641	\$ (12,630)	\$ 876,694	\$ 1,100	\$ 1,020,609	\$ 1,989	\$ 805,889	\$ 205
Fiduciary net position as a % of total pension liability	98.16%	118.65%	118.61%	147.97%	108.55%	125.64%	103.01%	113.36%	88.44%	94.08%	98.50%	120.64%	87.74%	97.50%	84.96%	93.00%	87.61%	98.68%
Covered payroll	\$ 585,505	\$ 826,726	\$ 638,323	\$ 709,554	\$ 762,113	\$ 663,267	\$ 853,174	\$ 679,121	\$ 881,823	\$ 700,902	\$ 945,130	\$ 380,474	\$ 1,066,909	\$ 248,513	\$ 1,163,780	\$ 197,118	\$ 1,176,548	\$ 137,840
Net pension liability as a % of covered payroll	25.26%	-6.78%	-234.22%	-15.48%	-88.35%	-7.65%	-27.53%	-2.94%	100.21%	0.98%	11.71%	-3.32%	82.17%	0.44%	87.70%	1.01%	68.50%	0.15%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**Borough of East Stroudsburg
Schedule of Borough Pension Contributions
Year ended December 31,**

Nonuniform Pension Fund

<u>Measurement Date</u> <u>December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2014	\$ 187,558	\$ 187,558	\$ -	\$ 1,176,548	15.94%
2015	\$ 232,435	\$ 232,435	\$ -	\$ 1,163,780	19.97%
2016	\$ 229,447	\$ 229,485	\$ (38)	\$ 1,066,909	21.51%
2017	\$ 233,816	\$ 234,212	\$ (396)	\$ 945,130	24.78%
2018	\$ 219,677	\$ 238,461	\$ (18,784)	\$ 881,823	27.04%
2019	\$ 199,838	\$ 199,838	\$ -	\$ 853,174	23.42%
2020	\$ 195,322	\$ 195,322	\$ -	\$ 762,113	25.63%
2021	\$ 192,329	\$ 192,329	\$ -	\$ 638,323	30.13%
2022	\$ 179,223	\$ 179,223	\$ -	\$ 585,505	30.61%

Nonuniform Cash Balance Pension Fund

<u>Measurement Date</u> <u>December 31</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2014	\$ 8,352	\$ 8,352	\$ -	\$ 137,840	6.06%
2015	\$ 11,927	\$ 11,927	\$ -	\$ 197,118	6.05%
2016	\$ 14,991	\$ 15,051	\$ (60)	\$ 248,513	6.06%
2017	\$ 22,948	\$ 21,775	\$ 1,173	\$ 380,474	5.72%
2018	\$ 42,214	\$ 34,610	\$ 7,604	\$ 700,902	4.94%
2019	\$ 41,636	\$ 49,361	\$ (7,725)	\$ 679,121	7.27%
2020	\$ 40,096	\$ 40,096	\$ -	\$ 663,267	6.05%
2021	\$ 42,375	\$ 42,375	\$ -	\$ 709,554	5.97%
2022	\$ 49,964	\$ 49,964	\$ -	\$ 826,726	6.04%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SUPPLEMENTARY INFORMATION

**Borough of East Stroudsburg
Budgetary Comparison Schedule – State Liquid Fuels Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Interest, rent and royalties			
Interest income	\$ 165	\$ 29,502	\$ 29,337
Intergovernmental revenues			
PennDOT liquid fuels allocation	241,079	246,080	5,001
Turnback allocation	6,040	6,040	-
Total intergovernmental revenues	<u>247,119</u>	<u>252,120</u>	<u>5,001</u>
Total revenues	<u>247,284</u>	<u>281,622</u>	<u>34,338</u>
Expenditures			
Public works - highways and streets			
Street department			
Capital purchase	125,000	125,655	(655)
Winter maintenance - snow removal			
Snow and ice removal supplies	52,250	19,467	32,783
Contracted snow removal	2,000	-	2,000
Total winter maintenance - snow removal	<u>54,250</u>	<u>19,467</u>	<u>34,783</u>
Traffic control devices			
Electricity	6,850	18,043	(11,193)
Material and supplies	2,750	30,878	(28,128)
Total traffic control devices	<u>9,600</u>	<u>48,921</u>	<u>(39,321)</u>
Street lighting			
Electric	70,290	72,795	(2,505)
Street light repair	188	231	(43)
Total street lighting	<u>70,478</u>	<u>73,026</u>	<u>(2,548)</u>
Storm sewers and drains			
Materials and supplies	8,075	-	8,075
Maintenance and repairs of roads and bridges			
Materials and supplies/street maintenance	14,725	8,112	6,613
Street paving	50,000	22,537	27,463
Total maintenance and repairs of roads and bridges	<u>64,725</u>	<u>30,649</u>	<u>34,076</u>
Total public works - highways and streets	<u>332,128</u>	<u>297,718</u>	<u>34,410</u>
Total expenditures	<u>332,128</u>	<u>297,718</u>	<u>34,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,844)</u>	<u>(16,096)</u>	<u>68,748</u>
Other financing sources (uses)			
Transfers in	84,900	165,578	80,678
Total other financing sources (uses)	<u>84,900</u>	<u>165,578</u>	<u>80,678</u>
Net change in fund balance	\$ 56	\$ 149,482	\$ 149,426
Fund balance			
Beginning of the year		425,763	
End of year		<u>\$ 575,245</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Fire Apparatus Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 25,477	\$ 24,676	\$ (801)
Real estate-current year levy - interim	4	-	(4)
Real estate-current year levy - prior year	6	1,017	1,011
Real estate-delinquent	1,518	-	(1,518)
Total taxes	<u>27,005</u>	<u>25,693</u>	<u>(1,312)</u>
Interest, rent and royalties			
Interest income	25	58	33
Total revenues	<u>27,030</u>	<u>25,751</u>	<u>(1,279)</u>
Expenditures			
General government			
Auditing services/financial administration			
Auditing services	976	2,000	(1,024)
Tax collection			
Salary-tax collector	247	238	9
FICA	15	73	(58)
Medicare	4	17	(13)
Materials and supplies	93	49	44
Delinquent real estate commission	93	172	(79)
Total tax collection	<u>452</u>	<u>549</u>	<u>(97)</u>
Total general government	<u>1,428</u>	<u>2,549</u>	<u>(1,121)</u>
Public safety			
Fire			
Total fire	<u>23,924</u>	<u>22,083</u>	<u>1,841</u>
Total expenditures	<u>25,352</u>	<u>24,632</u>	<u>720</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,678</u>	<u>1,119</u>	<u>(559)</u>
Other financing sources			
Transfers in	-	-	-
Net change in fund balance	<u>\$ 1,678</u>	<u>\$ 1,119</u>	<u>\$ (559)</u>
Fund balance			
Beginning of the year		<u>5,751</u>	
End of year		<u>\$ 6,870</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Street Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 51,402	\$ 49,788	\$ (1,614)
Real estate-current year levy - interim	6	-	(6)
Real estate-current year levy - prior year	10	-	(10)
Real estate-delinquent	2,465	2,099	(366)
Total taxes	<u>53,883</u>	<u>51,887</u>	<u>(1,996)</u>
Interest, rent and royalties			
Interest income	15	-	(15)
Total revenues	<u>53,898</u>	<u>51,887</u>	<u>(2,011)</u>
Expenditures			
General government			
Auditing services/financial administration			
Audit services	976	2,000	(1,024)
Tax collection			
Salary-tax collector	332	320	12
FICA	21	73	(52)
Medicare	5	17	(12)
Materials and supplies	125	66	59
Delinquent real estate commission	125	231	(106)
Total tax collection	<u>608</u>	<u>707</u>	<u>(99)</u>
Engineering services			
Engineering services	5,625	20,498	(14,873)
Total general government	<u>7,209</u>	<u>23,205</u>	<u>(15,996)</u>
Public works - highways and streets			
Maintenance and repairs of roads and bridges			
Street paving	296,680	-	296,680
Total maintenance and repairs of roads and bridges	<u>296,680</u>	<u>-</u>	<u>296,680</u>
Total public works	<u>296,680</u>	<u>-</u>	<u>296,680</u>
Total expenditures	<u>303,889</u>	<u>23,205</u>	<u>280,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(249,991)</u>	<u>28,682</u>	<u>278,673</u>
Other financing sources			
Transfers in	250,000	-	(250,000)
Net change in fund balance	<u>\$ 9</u>	<u>\$ 28,682</u>	<u>\$ 28,673</u>
Fund balance			
Beginning of the year		<u>100</u>	
End of year		<u>\$ 28,782</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Recreation Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 268,178	\$ 259,761	\$ (8,417)
Real estate-current year levy - interim	33	-	(33)
Real estate-current year levy - prior year	55	-	(55)
Real estate-delinquent taxes	<u>13,644</u>	<u>11,617</u>	<u>(2,027)</u>
Total taxes	<u>281,910</u>	<u>271,378</u>	<u>(10,444)</u>
Total revenues	<u>281,910</u>	<u>271,378</u>	<u>(10,444)</u>
Expenditures			
General government			
Council salary	870	375	495
Manager salary	6,211	8,142	(1,931)
Director of public works salary	4,680	1,041	3,639
Staff salary	13,650	14,934	(1,284)
FICA	1,749	289	1,460
Medicare	409	109	300
Overtime	75	-	75
Office supplies	400	734	(334)
Office equipment/furniture	50	354	(304)
IT expenses	825	1,486	(661)
Computer equipment/supplies	500	841	(341)
Equipment repairs/maintenance	138	54	84
Data storage software	425	317	108
Telephone/internet	433	441	(8)
Postage	925	480	445
Travel	160	-	160
Vehicle Expense	75	-	75
Advertising/printing	275	269	6
Dues/subscription/memberships	625	1,288	(663)
Conferences/training	<u>125</u>	<u>39</u>	<u>86</u>
Total administration	<u>32,600</u>	<u>31,193</u>	<u>(19,481)</u>
Auditing services/financial administration			
Auditing services	<u>1,220</u>	<u>2,150</u>	<u>(930)</u>
Tax collection			
Salary-tax collector	1,003	969	34
FICA	62	73	(11)
Medicare	15	17	(2)
Materials and supplies	378	201	177
Delinquent real estate commission	<u>378</u>	<u>700</u>	<u>(322)</u>
Total tax collection	<u>1,836</u>	<u>1,960</u>	<u>(124)</u>
Total general government	<u>35,656</u>	<u>35,303</u>	<u>(20,535)</u>

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Recreation Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works - highways and streets			
Street department			
Street superintendent salary	\$ 3,526	\$ 3,640	\$ (114)
Staff salary	23,098	22,582	516
FICA	1,699	558	1,141
Medicare	397	128	269
Overtime	775	-	775
Office supplies	13	67	(54)
Computer equipment/supplies	75	-	75
Office equipment maintenance/repair	13	61	(48)
Vehicle operation (fuel, oil, fluids)	2,400	1,768	632
Uniforms	150	294	(144)
Vehicle maintenance repair	775	846	(71)
Small tools/minor equipment	100	206	(106)
Drug testing	28	27	1
Telephone/internet	63	66	(3)
Travel	43	-	43
Electricity	100	229	(129)
Gas (heat)	263	255	8
Building Maintenance	500	307	193
Equipment maintenance and repair	925	1,516	(591)
Conferences/training	50	125	(75)
Capital improvement	10,500	-	10,500
Equipment lease	1,607	-	1,607
Total street department	<u>47,100</u>	<u>32,675</u>	<u>14,425</u>
Culture and recreation			
Participant recreation			
Building maintenance/repair (pool)	1,250	248	1,002
Pool maintenance and repairs	2,500	570	1,930
Small tools and equipment (pool)	500	173	327
Materials and supplies (pool)	500	-	500
Electricity (pool)	2,500	8,538	(6,038)
Gas (pool)	-	870	(870)
Maintenance and repair services (pool)	550	146	404
Stewardship contribution (SROSRC)	167,990	151,313	16,677
Total participant recreation	<u>175,790</u>	<u>161,858</u>	<u>13,932</u>
Parks			
Recreation equipment	500	-	500
Telephone/internet	1,850	1,512	338
Electric	3,150	1,109	2,041
Land maintenance	2,500	4,466	(1,966)
Equipment maintenance and repairs	1,250	3,362	(2,112)
Building maintenance and repairs	10,000	5,707	4,293
Tools minor equipment	100	-	100
Portable toilet rentals	6,000	2,030	3,970
Capital purchase	9,500	7,507	1,993
Total parks	<u>34,850</u>	<u>25,693</u>	<u>1,637</u>
Total culture and recreation	<u>210,640</u>	<u>187,551</u>	<u>15,569</u>

See Independent Auditor's Report.

**Borough of East Stroudsburg
 Budgetary Comparison Schedule – Recreation Fund
 For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total expenditures	\$ 293,396	\$ 255,529	\$ 9,459
Excess (deficiency) of revenues over (under) expenditures	<u>(11,486)</u>	<u>15,849</u>	<u>(19,903)</u>
Other financing sources			
Transfers in	<u>11,490</u>	<u>-</u>	<u>(11,490)</u>
Net change in fund balance	<u>\$ 4</u>	15,849	<u>\$ (31,393)</u>
Fund balance			
Beginning of the year		<u>100</u>	
End of year		<u>\$ 15,949</u>	

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Street Lighting Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 34,996	\$ 33,898	\$ (1,098)
Real estate-current year levy - prior year	26	-	(26)
Real estate-delinquent	3,948	3,361	(587)
Total taxes	<u>38,970</u>	<u>37,259</u>	<u>(1,685)</u>
Total revenues	<u>38,970</u>	<u>37,259</u>	<u>(1,685)</u>
Expenditures			
General government			
Auditing services/financial administration			
Auditing services	<u>1,220</u>	<u>2,150</u>	<u>(930)</u>
Tax collection			
Salary-tax collector	417	403	14
FICA	26	73	(47)
Medicare	6	17	(11)
Materials and supplies	157	83	74
Delinquent real estate commission	<u>157</u>	<u>291</u>	<u>(134)</u>
Total tax collection	<u>763</u>	<u>867</u>	<u>(104)</u>
Total general government	<u>1,983</u>	<u>3,017</u>	<u>(1,034)</u>
Public works - highways and streets			
Street lighting			
Electricity	36,210	35,301	909
Street light repair	<u>563</u>	<u>-</u>	<u>563</u>
Total street lighting	<u>36,773</u>	<u>35,301</u>	<u>1,472</u>
Total expenditures	<u>38,756</u>	<u>38,318</u>	<u>438</u>
Net change in fund balance	<u>\$ 214</u>	<u>(1,059)</u>	<u>\$ (1,247)</u>
Fund balance			
Beginning of the year		<u>(6,718)</u>	
End of year		<u>\$ (7,777)</u>	

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Pension Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 36,831	\$ 35,676	\$ (1,155)
Real estate-current year levy - prior year	11	-	(11)
Real estate-delinquent	<u>1,827</u>	<u>1,556</u>	<u>(271)</u>
Total taxes	<u>38,669</u>	<u>37,232</u>	<u>(1,437)</u>
Total revenues	<u>38,669</u>	<u>37,232</u>	<u>(1,437)</u>
Expenditures			
General government			
Tax collection			
Salary-tax collector	170	164	6
FICA	11	72	(61)
Medicare	2	17	(15)
Materials and supplies	64	34	30
Delinquent real estate commission	<u>64</u>	<u>119</u>	<u>(55)</u>
Total tax collection	<u>311</u>	<u>406</u>	<u>(95)</u>
Other general government administration			
Nonuniform pension	<u>39,943</u>	<u>39,716</u>	<u>227</u>
Total general government	<u>40,254</u>	<u>40,122</u>	<u>132</u>
Total expenditures	<u>40,254</u>	<u>40,122</u>	<u>132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,585)</u>	<u>(2,890)</u>	<u>132</u>
Other financing sources			
Transfers in	<u>1,585</u>	<u>-</u>	<u>(1,585)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,890)</u>	<u>\$ (2,890)</u>
Fund balance			
Beginning of the year		<u>100</u>	
End of year		<u>\$ (2,790)</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Debt Service Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Taxes			
Real estate-current year levy	\$ 450,092	\$ 435,966	\$ (14,126)
Real estate-current year levy - interim	86	52	(34)
Real estate-prior years levy	52	86	34
Real estate-delinquent taxes	<u>21,434</u>	<u>18,249</u>	<u>(3,185)</u>
Total taxes	<u>471,664</u>	<u>454,353</u>	<u>(17,311)</u>
Interest, rent and royalties			
Interest income	<u>600</u>	<u>87</u>	<u>(513)</u>
Total revenues	<u>472,264</u>	<u>454,440</u>	<u>(17,824)</u>
Expenditures			
General government			
Tax collection			
Salary-tax collector	2,100	2,029	71
FICA	130	73	57
Medicare	30	17	13
Materials and supplies	790	421	369
Delinquent real estate commission	<u>790</u>	<u>1,466</u>	<u>(676)</u>
Total tax collection	<u>3,840</u>	<u>4,006</u>	<u>(166)</u>
Debt service			
Principal	417,367	417,366	1
Interest	<u>51,000</u>	<u>70,459</u>	<u>(19,459)</u>
Total debt service	<u>468,367</u>	<u>487,825</u>	<u>(19,458)</u>
Total expenditures	<u>472,207</u>	<u>491,831</u>	<u>(19,624)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57</u>	<u>(37,391)</u>	<u>(37,448)</u>
Other financing sources			
Transfers in	<u>-</u>	<u>37,391</u>	<u>37,391</u>
Net change in fund balance	<u>\$ 57</u>	-	<u>\$ (57)</u>
Fund balance			
Beginning of the year		<u>188</u>	
End of year		<u>\$ 188</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Sewer Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues			
Charges for services	\$ 1,743,500	\$ 1,849,021	\$ 105,521
Other	<u>275,759</u>	<u>253,525</u>	<u>(22,234)</u>
Total operating revenues	<u>2,019,259</u>	<u>2,102,546</u>	<u>83,287</u>
Operating expenses			
Salaries and wages	607,054	517,651	89,403
Employee benefits	363,567	410,451	(46,884)
Administrative expenses	72,568	79,176	(6,608)
Insurance	57,285	63,086	(5,801)
Professional services	99,390	144,556	(45,166)
Repairs and maintenance	381,196	178,508	202,688
Supplies	144,066	178,044	(33,978)
Utilities	89,766	98,254	(8,488)
Capital improvements	2,215,750	-	2,215,750
Depreciation	<u>-</u>	<u>280,244</u>	<u>(280,244)</u>
Total operating expenses	<u>4,030,642</u>	<u>1,949,970</u>	<u>2,080,672</u>
Operating income (loss)	<u>(2,011,383)</u>	<u>152,576</u>	<u>2,163,959</u>
Nonoperating revenues (expenses)			
Interest income	12,000	110,486	98,486
Intergovernmental revenues	<u>44,715</u>	<u>53,800</u>	<u>9,085</u>
Total nonoperating revenues (expenses)	<u>56,715</u>	<u>164,286</u>	<u>107,571</u>
Change in net position	(1,954,668)	316,862	2,271,530
Transfers in (out)	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Change in net position	45,332	316,862	271,530
Net position			
Beginning of year		<u>6,105,439</u>	
End of year		<u>\$ 6,422,301</u>	

**Borough of East Stroudsburg
Budgetary Comparison Schedule – Water Fund
For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues			
Charges for services	\$ 2,297,100	\$ 2,210,779	\$ (86,321)
Other	<u>202,447</u>	<u>123,748</u>	<u>(78,699)</u>
Total operating revenues	<u>2,499,547</u>	<u>2,334,527</u>	<u>(165,020)</u>
Operating expenses			
Salaries and wages	712,645	571,059	141,586
Employee benefits	371,645	263,478	108,167
Administrative expenses	98,917	110,270	(11,353)
Insurance	57,285	51,650	5,635
Professional services	210,515	254,977	(44,462)
Repairs and maintenance	2,398,935	346,200	2,052,735
Supplies	202,884	190,140	12,744
Utilities	71,315	61,926	9,389
Depreciation	<u>-</u>	<u>343,384</u>	<u>(343,384)</u>
Total operating expenses	<u>4,124,141</u>	<u>2,193,084</u>	<u>1,931,057</u>
Operating income (loss)	<u>(1,624,594)</u>	<u>141,443</u>	<u>1,766,037</u>
Nonoperating revenues (expenses)			
Interest income	1,500	51,101	49,601
Interest expense	(105,571)	(58,492)	47,079
Intergovernmental revenues	<u>1,594,715</u>	<u>83,676</u>	<u>(1,511,039)</u>
Total nonoperating revenues (expenses)	<u>1,490,644</u>	<u>76,285</u>	<u>(1,414,359)</u>
Income (loss) before transfers and special item	(133,950)	217,728	351,678
Capital investment in Brodhead Creek Regional Authority			-
Transfers in	375,000	2,075,736	1,700,736
Transfers out	<u>(241,044)</u>	<u>(2,186,875)</u>	<u>(1,945,831.00)</u>
Change in net position	6	106,589	106,583
Net position			
Beginning of year		<u>9,808,570</u>	
End of year		<u>\$ 9,915,159</u>	

See Independent Auditor's Report.

**Borough of East Stroudsburg
 Budgetary Comparison Schedule – Golf Course Fund
 For the year ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues			
Charges for services	\$ 5,000	\$ -	\$ (5,000)
Total operating revenues	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Operating expenses			
Professional services	488	-	488
Depreciation	<u>-</u>	<u>20,146</u>	<u>(20,146)</u>
Total operating expenses	<u>488</u>	<u>20,146</u>	<u>(19,658)</u>
Operating income (loss)	<u>4,512</u>	<u>(20,146)</u>	<u>(24,658)</u>
Income (loss) before transfers	4,512	(20,146)	(24,658)
Loss on disposal	-	(218,312)	(218,312)
Capital contribution	<u>-</u>	<u>(3,961,010)</u>	<u>(3,961,010)</u>
	<u>-</u>	<u>(4,179,322)</u>	<u>(4,179,322)</u>
Change in net position	4,512	(4,199,468)	(4,203,980)
Net position			
Beginning of year		<u>4,181,060</u>	
End of year		<u>\$ (18,408)</u>	

**Borough of East Stroudsburg
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023**

Special Revenue Funds

	<u>State Liquid Fuels Fund</u>	<u>Community Development Fund</u>	<u>Fire Apparatus Fund</u>	<u>Street Fund</u>	<u>Recreation Fund</u>	<u>Street Lighting Fund</u>	<u>Pension Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Assets									
Cash	\$ 585,409	\$ 75,351	\$ 5,809	\$ 101	\$ 101	\$ 101	\$ 101	\$ 275	\$ 667,248
Due from other funds	<u>275</u>	<u>-</u>	<u>1,061</u>	<u>41,201</u>	<u>18,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,684</u>
Total assets	<u>\$ 585,684</u>	<u>\$ 75,351</u>	<u>\$ 6,870</u>	<u>\$ 41,302</u>	<u>\$ 18,248</u>	<u>\$ 101</u>	<u>\$ 101</u>	<u>\$ 275</u>	<u>\$ 727,932</u>
Liabilities and Fund Balances (deficit)									
Liabilities									
Accounts payable	\$ 10,439	\$ -	\$ -	\$ 12,520	\$ 587	\$ 357	\$ -	\$ -	\$ 23,903
Accrued salaries and benefits	-	-	-	-	1,712	-	-	-	1,712
Due to other funds	-	-	-	-	-	7,521	2,891	87	10,499
Total liabilities	<u>10,439</u>	<u>-</u>	<u>-</u>	<u>12,520</u>	<u>2,299</u>	<u>7,878</u>	<u>2,891</u>	<u>87</u>	<u>36,114</u>
Fund balances (deficit)									
Restricted for									
Public works - highways and streets	575,245	-	-	28,782	-	-	-	-	604,027
Community development	-	75,351	-	-	-	-	-	-	75,351
Fire apparatus	-	-	6,870	-	-	-	-	-	6,870
Culture and recreation - parks	-	-	-	-	15,949	-	-	-	15,949
Pension	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	188	188
Unassigned	-	-	-	-	-	(7,777)	(2,790)	-	(10,567)
Total fund balances (deficit)	<u>575,245</u>	<u>75,351</u>	<u>6,870</u>	<u>28,782</u>	<u>15,949</u>	<u>(7,777)</u>	<u>(2,790)</u>	<u>188</u>	<u>691,818</u>
Total liabilities and fund balances	<u>\$ 585,684</u>	<u>\$ 75,351</u>	<u>\$ 6,870</u>	<u>\$ 41,302</u>	<u>\$ 18,248</u>	<u>\$ 101</u>	<u>\$ 101</u>	<u>\$ 275</u>	<u>\$ 727,932</u>

Borough of East Stroudsburg
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended December 31, 2023

Special Revenue Funds

	State Liquid Fuels Fund	Community Development Fund	Fire Apparatus Fund	Street Fund	Recreation Fund	Street Lighting Fund	Pension Fund	Debt Service Fund	Total
Revenues									
Taxes	\$ -	\$ -	\$ 25,693	\$ 51,887	\$ 271,378	\$ 37,259	\$ 37,232	\$ 454,353	\$ 877,802
Interest, rents and royalties	29,502	3,801	58	-	-	-	-	87	33,448
Intergovernmental revenues	<u>252,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,120</u>
Total revenues	<u>281,622</u>	<u>3,801</u>	<u>25,751</u>	<u>51,887</u>	<u>271,378</u>	<u>37,259</u>	<u>37,232</u>	<u>454,440</u>	<u>1,163,370</u>
Expenditures									
Current									
General government	-	-	2,549	23,205	35,303	3,017	40,122	4,006	108,202
Public safety	-	-	22,083	-	-	-	-	-	22,083
Public works - highways and streets	297,718	-	-	-	32,675	35,301	-	-	365,694
Culture and recreation	-	-	-	-	187,551	-	-	-	187,551
Debt Service									
Principal	-	-	-	-	-	-	-	417,366	417,366
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,459</u>	<u>70,459</u>
Total expenditures	<u>297,718</u>	<u>-</u>	<u>24,632</u>	<u>23,205</u>	<u>255,529</u>	<u>38,318</u>	<u>40,122</u>	<u>491,831</u>	<u>1,171,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,096)</u>	<u>3,801</u>	<u>1,119</u>	<u>28,682</u>	<u>15,849</u>	<u>(1,059)</u>	<u>(2,890)</u>	<u>(37,391)</u>	<u>(7,985)</u>
Other financing sources (uses)									
Transfers in	<u>165,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,391</u>	<u>202,969</u>
Net change in fund balances (deficit)	<u>149,482</u>	<u>3,801</u>	<u>1,119</u>	<u>28,682</u>	<u>15,849</u>	<u>(1,059)</u>	<u>(2,890)</u>	<u>-</u>	<u>194,984</u>
Fund balances (deficit)									
Beginning of year	<u>425,763</u>	<u>71,550</u>	<u>5,751</u>	<u>100</u>	<u>100</u>	<u>(6,718)</u>	<u>100</u>	<u>188</u>	<u>496,834</u>
End of year	<u>\$ 575,245</u>	<u>\$ 75,351</u>	<u>\$ 6,870</u>	<u>\$ 28,782</u>	<u>\$ 15,949</u>	<u>\$ (7,777)</u>	<u>\$ (2,790)</u>	<u>\$ 188</u>	<u>\$ 691,818</u>

STATISTICAL INFORMATION

**Borough of East Stroudsburg
Property Tax Levies and Collections - Unaudited
Last ten fiscal years ending December 31,**

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percentage of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes To Tax Levy</u>
2023	\$ 2,382,210	\$ 2,274,900	95.50%	\$ -	\$ 2,274,900	95.50%	107,310	4.50%
2022	2,140,842	2,033,906	95.00%	56,877	2,090,783	97.66%	50,059	2.34%
2021	1,855,193	1,774,650	95.66%	72,752	1,847,402	99.58%	7,791	0.42%
2020	1,886,128	1,757,067	93.16%	126,895	1,883,962	99.89%	2,166	0.11%
2019	1,928,983	1,795,905	93.10%	131,013	1,926,918	99.89%	2,065	0.11%
2018	1,924,398	1,802,792	93.68%	121,446	1,924,238	99.99%	160	0.01%
2017	1,817,353	1,707,014	93.93%	109,516	1,816,530	93.93%	823	6.07%
2016	1,707,217	1,587,549	92.99%	119,208	1,706,757	99.97%	460	0.03%
2015	1,570,093	1,456,780	92.78%	113,003	1,569,783	99.98%	310	0.02%
2014	1,642,461	1,475,215	89.82%	166,936	1,642,151	99.98%	310	0.02%

Borough of East Stroudsburg
Tax Rates - Unaudited
Last ten fiscal years ending December 31,

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Real Estate Transfer</u>	<u>Wage & Income Tax</u>	<u>Municipal Services Tax</u>
2023	5.17	0.5%	0.5%	47.00
2022	4.47	0.5%	0.5%	47.00
2021	3.78	0.5%	0.5%	47.00
2020 ⁽¹⁾	3.78	0.5%	0.5%	47.00
2019	25.50	0.5%	0.5%	47.00
2018	25.50	0.5%	0.5%	47.00
2017	24.00	0.5%	0.5%	47.00
2016	23.00	0.5%	0.5%	47.00
2015	21.50	0.5%	0.5%	47.00
2014	21.40	0.5%	0.5%	47.00

⁽¹⁾ Monroe County property reassessment effective for 2020

Borough of East Stroudsburg
Assessed Value and Market Value of Taxable Property - Unaudited
Last ten fiscal years ending December 31,

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>Assessed Value as a Percentage of Market Value</u>
2023	\$ 459,967,480	\$ 437,435,660	105.15%
2022	480,179,370	463,656,936	103.56%
2021	487,625,200	395,349,080	123.34%
2020 ⁽¹⁾	496,048,910	399,424,476	124.19%
2019	75,613,170	395,825,229	19.10%
2018	75,680,030	404,424,164	18.71%
2017	73,595,520	392,077,039	18.77%
2016	73,004,920	389,912,456	18.72%
2015	76,346,920	435,514,584	17.53%
2014	74,024,540	424,547,709	17.44%

⁽¹⁾ Monroe County property reassessment effective for 2020

**Borough of East Stroudsburg
Principal Taxpayers - Unaudited
Year ending December 31, 2023**

<u>Taxpayer</u>	<u>Assessed Valuation</u>
Kimco Delaware Inc	\$ 15,265,830
New GVPT LLC	10,675,000
Wal-Mart Real Estate Business Trust	9,740,440
BFG Pocono DST	7,632,270
Eagle Valley Realty LP	4,537,500
Sunrest Properties LLC	4,506,290
GPH East Stroudsburg LP	4,386,250
Dalio Holdings LLP	2,600,000
ARHC SlestPA01 LLC	2,589,950
E Stroudsburg Elderly Associates C/O	<u>2,581,420</u>
	<u>\$ 64,514,950</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Borough Council of
Borough of East Stroudsburg:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Borough of East Stroudsburg, East Stroudsburg, Pennsylvania (the "Borough"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon January 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

January 23, 2025