

BOROUGH OF EAST STROUDSBURG
East Stroudsburg, Pennsylvania
Monroe County
Financial Statements
December 31, 2024
With Independent Auditor's Reports

Borough of East Stroudsburg
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December 31, 2024

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INDEPENDENT AUDITORS' REPORT

Borough Council
Borough of East Stroudsburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited 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, Pennsylvania (the Borough) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 the Borough as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Emphasis of Matter

As described in Note 11 to the financial statements, the Borough has restated its net position and fund balances as of the beginning of the reporting period. Our opinions are not modified with respect to this matter.

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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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund, and certain pension benefits information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The combining nonmajor fund financial statements 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules, which are the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 April 3, 2026, on our consideration of the Borough'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 solely 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 the effectiveness of the Borough's 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's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
April 3, 2026

BOROUGH OF EAST STROUDSBURG
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

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, 2024. 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 2024, 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 2024 calendar year of $22,940,021. During the 2024 calendar year, the Borough had an increase in total net position of $1,067,492. The net position of the governmental activities increased by $689,765 and net position of business-type activities increased by $377,727.

- The General Fund reported an increase in fund balance of $267,814, bringing the cumulative balance to a deficit in fund balance of $(185,765) at the conclusion of the 2024 calendar year.

- At December 31, 2024, the General Fund fund balance includes $5,076 which is considered nonspendable, and an unassigned deficit of $(190,841).

- General Fund revenues were $6,674,722 or 5.33% more than budgeted amounts, General Fund expenditures were $6,409,642 or 0.76% greater than budgeted amounts and other financing (uses) had a negative variance of $41,780.

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.

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 golf course fund was closed out during calendar year 2024.

The government-wide financial statements can be found on pages 15 and 16 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 two 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.

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 17 through 20 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, with the Golf Course Fund being closed during calendar year 2024.

The proprietary fund financial statements can be found on pages 21 through 23 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 24 through 47 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 48 through 71 of this report.

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 2024 fiscal year, the Borough's assets and deferred outflows exceeded liabilities and deferred inflows by $22,940,021. The following table presents condensed information for the *Statement of Net Position* of the Borough at December 31, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 1,862,640	$ 3,317,645	$ 6,651,217	$ 6,520,576	$ 8,513,857	$ 9,838,221
Capital assets	10,172,324	10,411,259	14,090,308	13,263,582	24,262,632	23,674,841
Total assets	12,034,964	13,728,904	20,741,525	19,784,158	32,776,489	33,513,062
Deferred outflows						
Related to pensions	218,126	372,374	382,810	603,913	600,936	976,287
Liabilities						
Current liabilities	1,191,806	2,847,353	1,252,411	512,126	2,444,217	3,359,479
Noncurrent liabilities	2,065,437	2,893,046	5,884,633	6,219,113	7,950,070	9,112,159
Total liabilities	3,257,243	5,740,399	7,137,044	6,731,239	10,394,287	12,471,638
Deferred inflows						
Related to pensions	14,375	69,172	28,742	76,010	43,117	145,182
Net position						
Net investment in capital assets	7,503,064	7,527,678	7,447,792	7,165,598	14,950,856	14,693,276
Restricted	1,361,097	702,385	672,192	-	2,033,289	702,385
Unrestricted	117,311	61,644	5,838,565	6,415,224	5,955,876	6,476,868
Total net position	$ 8,981,472	$ 8,291,707	$ 13,958,549	$ 13,580,822	$ 22,940,021	$ 21,872,529

The Borough's total assets as of December 31, 2024 were $32,776,489 of which $5,465,108 or 16.67% consisted of cash and $24,262,632 or 74.02% consisted of the Borough's investment in capital assets. The Borough's total liabilities as of December 31, 2024 were $10,394,287 of which $8,392,938 or 80.75% consisted of general obligation debt and direct borrowings used to acquire and construct capital assets.

Of the Borough's total net position at December 31, 2024, $5,955,876 is unrestricted and may be used to meet the Borough's ongoing obligations to citizens and creditors. The Borough's unrestricted net position decreased by $520,992 during 2024 primarily due to the results of current year operations.

A portion of the Borough's net position reflects its restricted net position which totaled $2,033,289 as of December 31, 2024. All of the Borough's restricted net position relates to the Borough's net pension asset, the capital projects fund, and 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, 2024, the Borough's net investment in capital assets increased by $257,580 primarily because of capital assets being funded with sources other than long-term debt including American Rescue Plan Act (ARPA) federal funds used for the water meter replacement project.

The following table presents condensed information for the *Statement of Activities* of the Borough for 2024 and 2023:

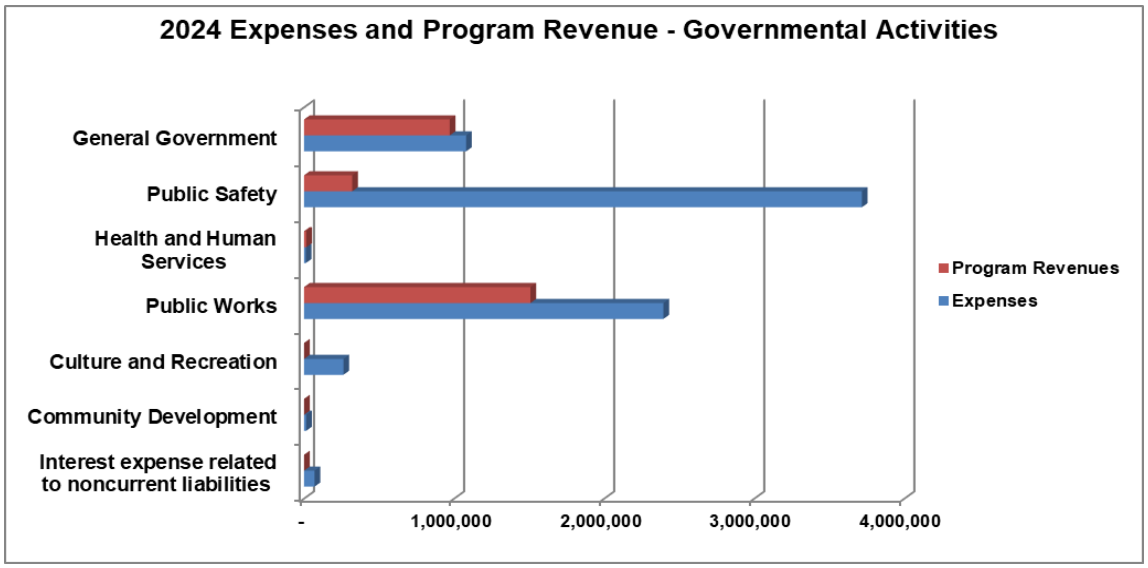
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 1,860,270	$ 1,970,326	$ 4,823,212	$ 4,437,073	$ 6,683,482	$ 6,407,399
Operating grants and contributions	946,763	1,015,317	1,296,570	137,476	2,243,333	1,152,793
Capital grants and contributions	7,992	-	-	-	7,992	-
General revenues					-	-
Taxes	4,253,672	3,968,278	-	-	4,253,672	3,968,278
Rents and royalties	133,519	128,691	-	-	133,519	128,691
Investment income	78,686	91,594	158,687	161,587	237,373	253,181
Miscellaneous revenue	419,062	-	-	-	419,062	-
Total revenues	7,699,964	7,174,206	6,278,469	4,736,136	13,978,433	11,910,342
Expenses						
General government	1,079,848	745,643	-	-	1,079,848	745,643
Public safety	3,716,728	3,561,605	-	-	3,716,728	3,561,605
Health and human services	11,550	8,569	-	-	11,550	8,569
Public works	2,394,406	2,101,593	-	-	2,394,406	2,101,593
Culture and recreation	262,524	233,519	-	-	262,524	233,519
Community development	14,143	22,175	-	-	14,143	22,175
Interest expense related to noncurrent liabilities	69,982	162,673	-	-	69,982	162,673
Sewer operations	-	-	2,160,131	1,949,970	2,160,131	1,949,970
Water operations	-	-	3,201,629	2,251,576	3,201,629	2,251,576
Golf course operations	-	-	-	238,458	-	238,458
Total expenses	7,549,181	6,835,777	5,361,760	4,440,004	12,910,941	11,275,781
Change in net position before transfers and special item	150,783	338,429	916,709	296,132	1,067,492	634,561
Special item	-	3,961,010	-	(3,961,010)	-	-
Transfers	538,982	111,139	(538,982)	(111,139)	-	-
Change in net position	$ 689,765	$ 4,410,578	$ 377,727	$ (3,776,017)	$ 1,067,492	$ 634,561

Governmental Activities

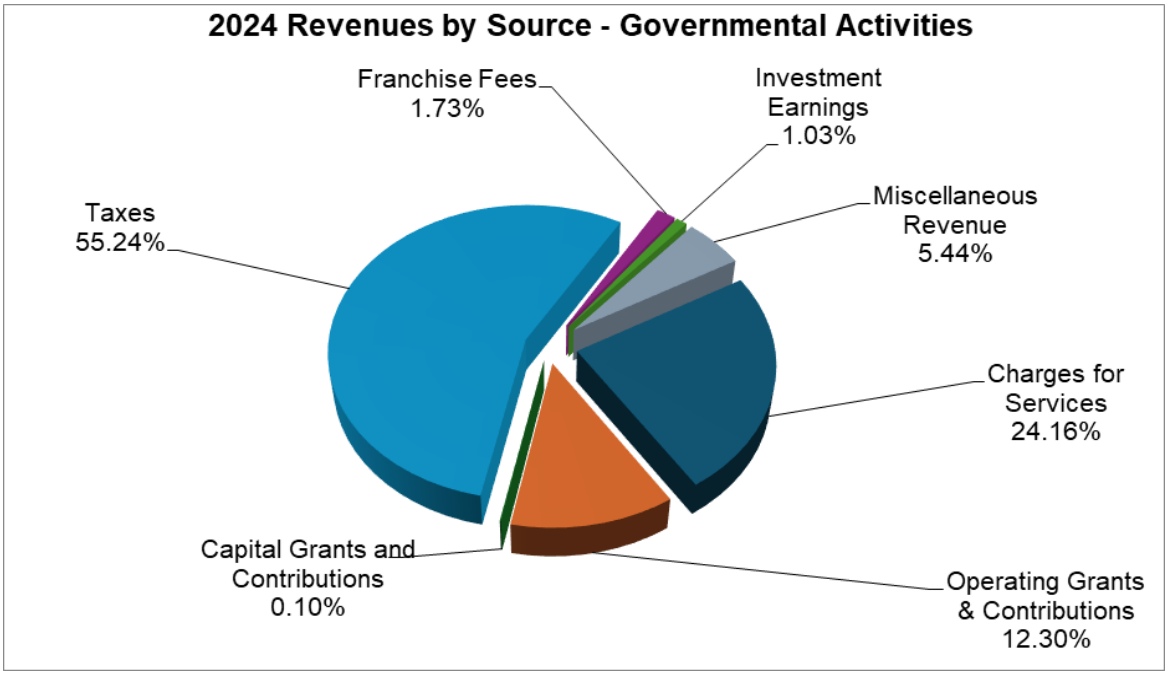
The cost of all governmental activities in 2024 was $7,549,181. The amount that taxpayers ultimately financed for these activities through Borough taxes was $4,253,672 or 55.24%. A majority of the other expenses were financed through charges for services by those who directly benefited from the programs ($1,860,270 or 24.16%).

Public safety and public works expenses comprise a majority of the Borough's total expenses totaling $6,111,134 or 80.95%. Public safety expenses primarily consist of payments for services to the Stroud Area Regional Police Department which totaled $2,943,822 for 2024.

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.



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 $199,318 and the net position of the Water Fund increased by $160,001 in 2024. During 2024, 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 $1,160,214 or 27.61% primarily due to an increase in legal fees and services impacted by inflation.

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.

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. The Terra Greens Golf Club was not reopened for the 2023 season, and the fund was closed during 2024.

GOVERNMENTAL FUNDS

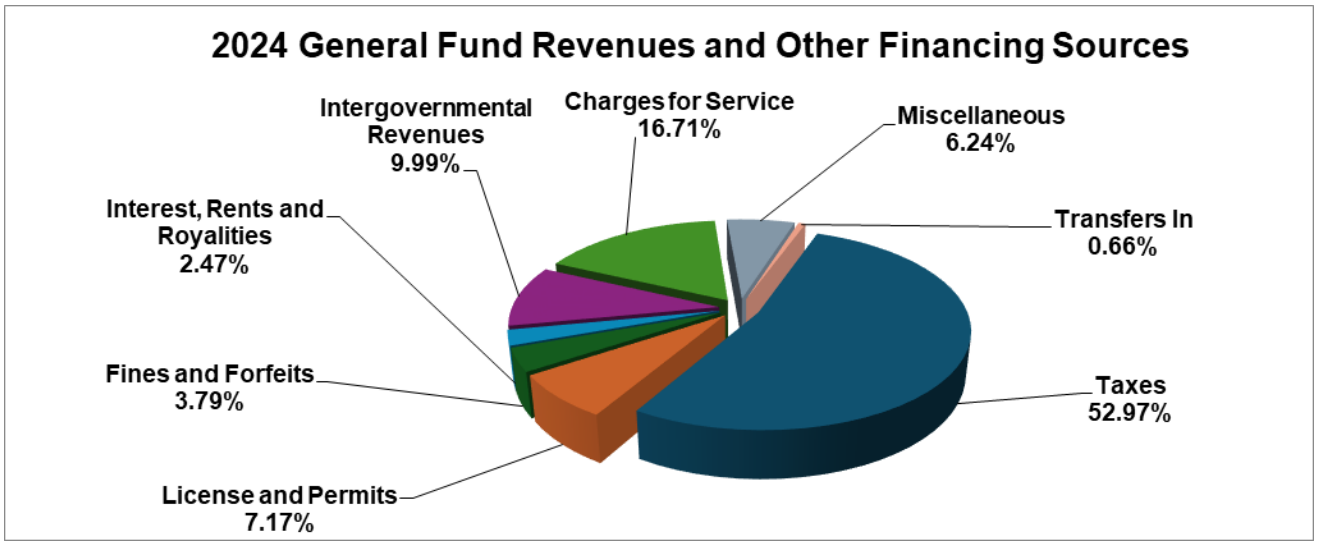
The governmental fund financial statements provide detailed information of the Borough's major funds. Some funds are required to be established by State statute while other funds are established by the Borough to manage monies restricted for a specific purpose. As of December 31, 2024, the Borough's governmental funds reported a combined fund balance of $453,903 which is an increase of $457,571 from the prior year. The following table summarizes the Borough's total governmental fund balances as of December 31, 2024 and 2023 and the total 2024 change in governmental fund balances.

	2024	(As Restated) 2023	$ Change
General fund	$ (185,765)	$ (453,579)	$ 267,814
Capital projects fund	261,629	(241,907)	503,536
Nonmajor governmental funds	378,039	691,818	(313,779)
	$ 453,903	$ (3,668)	$ 457,571

GENERAL FUND

The General Fund is the Borough's primary operating fund. At the conclusion of the 2024 fiscal year the General Fund deficit fund balance was $185,765 representing an increase of $267,814 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 2024 fiscal year.

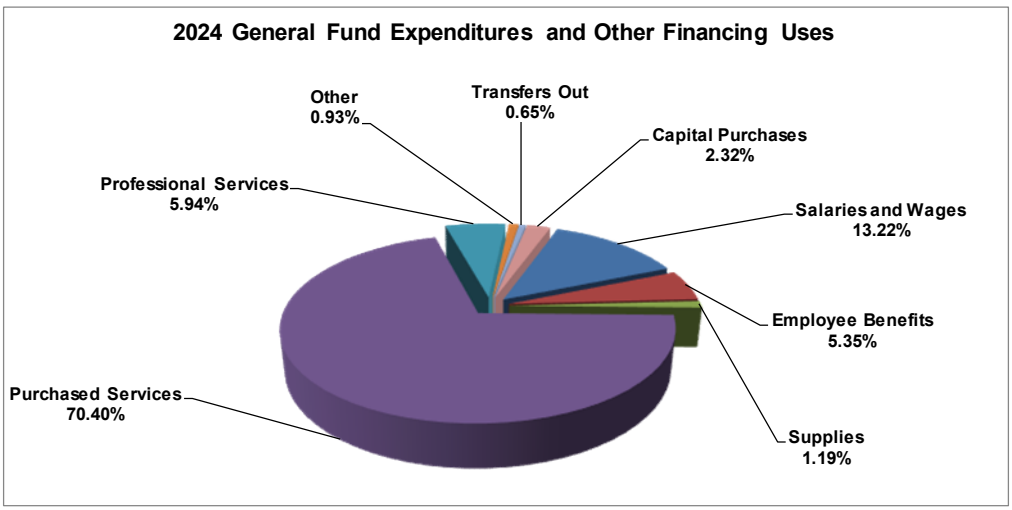
The Borough's reliance upon tax revenues is demonstrated by the graph below that indicates 52.97% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

	2024	2023	$ Change	% Change
Taxes	$ 3,559,243	$ 2,984,304	$ 574,939	19.27
Licenses and permits	481,501	478,601	2,900	0.61
Fines and forfeits	254,680	181,820	72,860	40.07
Interest, rents and royalties	166,168	77,736	88,432	113.76
Intergovernmental revenues	671,200	770,317	(99,117)	(12.87)
Charges for services	1,122,869	1,128,222	(5,353)	(0.47)
Miscellaneous	419,061	264,597	154,464	58.38
Transfers in	44,514	-	44,514	100.00
	$ 6,719,236	$ 5,885,597	$ 833,639	14.16

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.



	2024	2023	$ Change	% Change
Salaries and wages	$ 853,027	$ 620,030	$ 232,997	37.58
Employee benefits	345,404	314,194	31,210	9.93
Supplies	76,903	55,213	21,690	39.28
Purchased services	4,541,605	4,410,973	130,632	2.96
Professional services	383,476	263,391	120,085	45.59
Capital purchase	149,827	126,952	22,875	18.02
Other	59,400	59,783	(383)	(0.64)
Transfers out	41,780	822,200	(780,420)	(94.92)
	$ 6,451,422	$ 6,672,736	$ (221,314)	(3.32)

Purchased services increased in 2024 compared to 2023 by $130,632 or 2.96% due to an increase in contracted services for the Stroud Area Regional Police, levee maintenance and refuse collections.

Professional services increased in 2024 compared to 2023 by $120,085 or 45.59% due to a decrease in legal and engineering services.

Transfers out decreased due to transfers of ARPA funding to the Water Fund to subsidize the water meter project in 2023.

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 Water Fund, general obligation debt and capital grants and contributions. During 2024, the Capital Projects Fund fund balance increased by $503,536 for a cumulative balance of $261,629 as of December 31, 2024 which primarily relates to transfers from the Water Fund for the Middle Dam rehabilitation project.

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 2024, the Nonmajor Governmental Funds fund balance decreased by ($313,779) for a cumulative balance of $378,039 as of December 31, 2024. Within the nonmajor governmental funds the State Liquid Fuels Fund represents $315,052 of the cumulative fund balance as of December 31, 2024.

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 $337,863 or 5.33% more than budgeted amounts, General Fund expenditures were $48,489 or 0.76% greater than budgeted amounts, and other financing (uses) had a negative variance of $41,780 due to the unbudgeted transfers.

More detailed information regarding the General Fund budget can be found in the Budgetary Comparison Schedule – General Fund on pages 46 through 54. 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, 2024 amounted to $24,262,632 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 2024 was $587,791 or 2.48%. The increase was the result of current year capital additions in excess of current year depreciation expense.

Current year capital additions were $1,829,418 and depreciation expense was $1,241,627.

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

Business-type activities	
Water meter replacement – machinery and equipment	$ 1,307,143

NONCURRENT LIABILITIES

As of December 31, 2024, the Borough had total general obligation debt and direct borrowings of $8,392,938. The total net decrease in the Borough's general obligation debt for the current year was $450,906 or 5.10% due to financing of $260,477 drawn down in 2024 for the middle dam rehabilitation project and repayments of $711,383.

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 asset is an actuarially determined estimate of the unfunded/funded cost of the pension plan asset of $477,234 as of December 31, 2024.

Other noncurrent liabilities consist of the Borough's liability for compensated absences and capital leases payable which totaled $306,963 as of December 31, 2024. These liabilities increased by $130,500 or 73.95% during the current year, primarily due to increases in the Borough's compensated absences liabilities.

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 2025 General Fund budget with revenue totaling $6,070,587 and expenses totaling $5,810,323. The real estate tax millage rate was increased to 6.3841 mills or 27%.

For 2025, sewer rates remained unchanged while water rates increased by $8 per EBU and $0.1639 per 100 gallons for usages, 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.

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, 2024

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Current assets			
Cash	$ 1,646,075	$ 3,819,033	$ 5,465,108
Taxes receivable	228,767	-	228,767
Accounts receivable, net	467,490	1,860,641	2,328,131
Internal balances	(643,878)	643,878	-
Prepaid expenses	5,076	9,541	14,617
Total current assets	1,703,530	6,333,093	8,036,623
Noncurrent assets			
Capital assets, net			
Nondepreciable	5,906,644	1,598,722	7,505,366
Depreciable, net of accumulated depreciation	4,265,680	12,491,586	16,757,266
Net pension asset	159,110	318,124	477,234
Total noncurrent assets	10,331,434	14,408,432	24,739,866
Total assets	12,034,964	20,741,525	32,776,489
Deferred outflows of resources			
Related to pensions	218,126	382,810	600,936
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities			
Accounts payable	395,338	858,966	1,254,304
Accrued salaries and benefits	65,161	76,435	141,596
Accrued interest payable	29,390	-	29,390
Unearned revenue	7,008	-	7,008
Escrow deposits	261,844	-	261,844
Other liabilities	244	-	244
Current portion of long-term liabilities	432,821	317,010	749,831
Total current liabilities	1,191,806	1,252,411	2,444,217
Noncurrent liabilities			
Due in more than one year	2,065,437	5,884,633	7,950,070
Total noncurrent liabilities	2,065,437	5,884,633	7,950,070
Total liabilities	3,257,243	7,137,044	10,394,287
Deferred inflows of resources			
Related to pensions	14,375	28,742	43,117
Net position			
Net investment in capital assets	7,503,064	7,447,792	14,950,856
Restricted for:			
Roads, highways, and street	946,969	-	946,969
Net pension asset	362,861	672,192	1,035,053
Other grants	51,267	-	51,267
Unrestricted	117,311	5,838,565	5,955,876
Total net position	$ 8,981,472	$ 13,958,549	$ 22,940,021

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	$ 1,079,848	$ 313,828	$ 656,760	$ -	$ (109,260)	$ -	$ (109,260)
Public safety	3,716,728	312,791	-	7,992	(3,395,945)	-	(3,395,945)
Health and human services	11,550	15,125	-	-	3,575	-	3,575
Public works	2,394,406	1,218,526	290,003	-	(885,877)	-	(885,877)
Culture and recreation	262,524	-	-	-	(262,524)	-	(262,524)
Community development	14,143	-	-	-	(14,143)	-	(14,143)
Interest expense related to noncurrent liabilities	69,982	-	-	-	(69,982)	-	(69,982)
Total governmental activities	7,549,181	1,860,270	946,763	7,992	(4,734,156)	-	(4,734,156)
Business-type activities							
Sewer	2,160,131	2,219,776	52,260	-	-	111,905	111,905
Water	3,201,629	2,603,436	1,244,310	-	-	646,117	646,117
Total business-type activities	5,361,760	4,823,212	1,296,570	-	-	758,022	758,022
Total primary government	$ 12,910,941	$ 6,683,482	$ 2,243,333	$ 7,992	(4,734,156)	758,022	(3,976,134)
General revenues							
Taxes							
Real estate taxes					2,676,005	-	2,676,005
Earned income taxes					1,085,259	-	1,085,259
Real estate transfer taxes					182,575	-	182,575
Local services taxes					309,833	-	309,833
Investment earnings					78,686	158,687	237,373
Rents and royalties					133,519	-	133,519
Miscellaneous revenue					419,062	-	419,062
Transfers					538,982	(538,982)	-
Total general revenues and transfers					5,423,921	(380,295)	5,043,626
Change in net position					689,765	377,727	1,067,492
Net position							
Beginning of year, as previously reported					5,426,519	16,319,052	21,745,571
Error correction					2,865,188	(2,738,230)	126,958
Beginning of year, as restated					8,291,707	13,580,822	21,872,529
End of year					8,981,472	13,958,549	22,940,021

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Major Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets				
Cash	$ 412,342	$ 673,011	$ 560,722	$ 1,646,075
Receivables				
Taxes	228,767	-	-	228,767
Garbage fees, net	291,264	-	-	291,264
Other	161,226	-	15,000	176,226
Due from other funds	356,393	43	66,958	423,394
Prepaid items	5,076	-	-	5,076
Total assets	$ 1,455,068	$ 673,054	$ 642,680	$ 2,770,802
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 155,946	$ -	$ 239,392	$ 395,338
Accrued salaries and benefits	65,161	-	-	65,161
Due to other funds	846,433	202,842	17,997	1,067,272
Unearned revenue	-	-	7,008	7,008
Escrow deposits	53,261	208,583	-	261,844
Other liabilities	-	-	244	244
Total liabilities	1,120,801	411,425	264,641	1,796,867
Deferred inflows of resources				
Unavailable revenues - property taxes and garbage fees	520,032	-	-	520,032
Fund balances				
Nonspendable				
Prepaid items	5,076	-	-	5,076
Restricted for				
Road improvements fund	-	395,679	-	395,679
Public works - highways and streets	-	-	343,834	343,834
Community development	-	-	238	238
Fire apparatus	-	-	11,220	11,220
Culture and recreation	-	-	39,621	39,621
Debt service	-	-	188	188
Unassigned	(190,841)	(134,050)	(17,062)	(341,953)
Total fund balances	(185,765)	261,629	378,039	453,903
Total liabilities, deferred inflows of resources and fund balances	$ 1,455,068	$ 673,054	$ 642,680	$ 2,770,802

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCE TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

TOTAL GOVERNMENTAL FUND BALANCES	$ 453,903
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	10,172,324
Net pension assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	159,110
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.	520,032
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.	203,751
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.	(29,390)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.	(2,498,258)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 8,981,472

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Major Funds			
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Revenues				
Taxes	$ 3,559,243	$ -	$ 708,660	$ 4,267,903
Licenses and permits	481,501	-	-	481,501
Fines and forfeits	254,680	-	-	254,680
Investment income	32,649	12,770	33,267	78,686
Rent and royalties	133,519	-	-	133,519
Intergovernmental revenues	671,200	-	258,489	929,689
Charges for services	1,122,869	-	-	1,122,869
Miscellaneous	419,061	-	-	419,061
Total revenues	6,674,722	12,770	1,000,416	7,687,908
Expenditures				
Current				
General government	880,520	-	111,103	991,623
Public safety	3,620,765	-	-	3,620,765
Health and human services	11,550	-	-	11,550
Public works - sanitation	1,137,729	-	-	1,137,729
Public works - highways and streets	593,266	-	409,877	1,003,143
Public works - other services	141,997	-	-	141,997
Culture and recreation	9,672	-	211,715	221,387
Community development	14,143	-	-	14,143
Capital outlay	-	-	130,596	130,596
Debt service				
Principal	-	-	421,777	421,777
Interest	-	-	74,610	74,610
Total expenditures	6,409,642	-	1,359,678	7,769,320
Escess (deficiency) of revenues over (under) expenditures	265,080	12,770	(359,262)	(81,412)
Other financing sources (uses)				
Transfers in	44,514	490,766	45,483	580,763
Transfers out	(41,780)	-	-	(41,780)
Total other financing sources (uses)	2,734	490,766	45,483	538,983
Net change in fund balances	267,814	503,536	(313,779)	457,571
Fund balances				
Beginning of year, as previously reported	(580,537)	(241,907)	691,818	(130,626)
Error correction	126,958	-	-	126,958
Beginning of year, as restated	(453,579)	(241,907)	691,818	(3,668)
End of year	$ (185,765)	$ 261,629	$ 378,039	$ 453,903

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 457,571
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	$ 280,424	
Depreciation	(519,359)	(238,935)
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, 2023	(507,977)	
Deferred inflows of resources December 31, 2024	520,032	12,055
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.		
Repayment of notes payable	402,270	
Repayment of leases payable	19,507	421,777
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	(26,562)	
Current year change in accrued interest payable	4,627	
Change in net pension liability and related deferred inflows and outflows	59,232	37,297
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 689,765

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Major Funds		Nonmajor Fund	
	Sewer Fund	Water Fund	Golf Course Fund	Total
Assets and Deferred Outflows of Resources				
Current assets				
Cash	$ 2,846,470	$ 972,563	$ -	$ 3,819,033
Accounts receivable, net	828,812	1,031,829	-	1,860,641
Due from other funds	1,244,432	202,842	-	1,447,274
Prepaid expenses	4,743	4,798	-	9,541
Total current assets	4,924,457	2,212,032	-	7,136,489
Noncurrent assets				
Capital assets				
Nondepreciable	36,441	1,562,281	-	1,598,722
Depreciable, net of accumulated depreciation	1,534,732	10,956,854	-	12,491,586
Net pension asset	159,062	159,062	-	318,124
Total noncurrent assets	1,730,235	12,678,197	-	14,408,432
Total assets	6,654,692	14,890,229	-	21,544,921
Deferred outflows of resources				
Related to pensions	191,405	191,405	-	382,810
Liabilities, Deferred Inflows of Resources and Net Position				
Current liabilities				
Current portion of notes payable	-	317,010	-	317,010
Accounts payable	108,750	750,216	-	858,966
Accrued salaries and benefits	34,254	42,181	-	76,435
Due to other funds	-	803,396	-	803,396
Total current liabilities	143,004	1,912,803	-	2,055,807
Noncurrent liabilities				
Notes payable, net of current portion	-	5,732,338	-	5,732,338
Compensated absences	67,103	85,192	-	152,295
Total noncurrent liabilities	67,103	5,817,530	-	5,884,633
Total liabilities	210,107	7,730,333	-	7,940,440
Deferred inflows of resources				
Related to pensions	14,371	14,371	-	28,742
Net position				
Net investment in capital assets	1,571,173	5,876,619	-	7,447,792
Restricted for net pension asset	336,096	336,096	-	672,192
Unrestricted	4,714,350	1,124,215	-	5,838,565
Total net position	$ 6,621,619	$ 7,336,930	$ -	$ 13,958,549

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Major Funds		Nonmajor Fund	
	Sewer Fund	Water Fund	Golf Course Fund	Total
Operating Revenues				
Charges for services	$ 2,000,751	$ 2,389,527	$ -	$ 4,390,278
Other	219,025	213,909	-	432,934
Total operating revenues	2,219,776	2,603,436	-	4,823,212
Operating expenses				
Salaries and wages	668,424	787,200	-	1,455,624
Employee benefits	327,924	443,363	-	771,287
Administrative expenses	80,117	113,534	-	193,651
Insurance	64,190	52,188	-	116,378
Professional services	222,423	626,088	-	848,511
Repairs and maintenance	230,704	334,240	-	564,944
Supplies	155,236	214,512	-	369,748
Utilities	105,694	57,642	-	163,336
Depreciation	305,419	416,849	-	722,268
Total operating expenses	2,160,131	3,045,616	-	5,205,747
Operating income (loss)	59,645	(442,180)	-	(382,535)
Nonoperating revenues (expenses)				
Interest income	109,670	49,017	-	158,687
Interest expense	-	(156,013)	-	(156,013)
Intergovernmental revenues	52,260	1,244,310	-	1,296,570
Total nonoperating revenues (expenses)	161,930	1,137,314	-	1,299,244
Income before transfers	221,575	695,134	-	916,709
Transfers in	-	-	18,408	18,408
Transfers out	(22,257)	(535,133)	-	(557,390)
Change in net pension	199,318	160,001	18,408	377,727
Net position				
Beginning of year, as previously reported	6,422,301	9,915,159	(18,408)	16,319,052
Error correction	-	(2,738,230)	-	(2,738,230)
Beginning of year, as restated	6,422,301	7,176,929	(18,408)	13,580,822
End of year	$ 6,621,619	$ 7,336,930	$ -	$ 13,958,549

See accompanying notes to financial statements.

BOROUGH OF EAST STROUDSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Major Funds		Nonmajor Fund	
	Sewer Fund	Water Fund	Golf Course Fund	Total
Operating activities				
Cash received from charges for services	$ 1,910,558	$ 2,203,894	$ -	$ 4,114,452
Payments to suppliers for goods and services	(794,495)	(1,132,394)	-	(1,926,889)
Payments to employees	(1,080,454)	(1,219,234)	-	(2,299,688)
Other receipts	219,025	213,909	-	432,934
Net cash provided by operating activities	254,634	66,175	-	320,809
Noncapital financing activities				
Intergovernmental revenues	52,260	110,326	-	162,586
Proceeds from (payments for) interfund financing arrangements	(283,182)	813,045	(18,882)	510,981
Transfers from other funds	-	-	18,408	18,408
Net cash provided by (used in) noncapital financing activities	(230,922)	923,371	(474)	691,975
Capital and related financing activities				
Intergovernmental revenues	-	1,133,984	-	1,133,984
Acquisition and construction of capital assets	(38,432)	(1,408,159)	-	(1,446,591)
Proceeds from notes payable	-	260,877	-	260,877
Repayment of notes payable	-	(309,513)	-	(309,513)
Transfers to other funds	(22,257)	(535,133)	-	(557,390)
Interest paid	-	(156,013)	-	(156,013)
Net cash (used in) capital and related financing activities	(60,689)	(1,013,957)	-	(1,074,646)
Investing activities				
Interest income	109,670	49,017	-	158,687
Net change in cash	72,693	24,606	(474)	96,825
Cash				
Beginning of year	2,773,777	947,957	474	3,722,208
End of year	$ 2,846,470	$ 972,563	$ -	$ 3,819,033
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ 59,645	$ (442,180)	$ -	$ (382,535)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	305,419	416,849	-	722,268
(Increase) decrease in				
Accounts receivable	(90,193)	(185,633)	-	(275,826)
Prepaid expenses	24,439	24,714	-	49,153
Net pension liability (asset)	(197,926)	(212,477)	-	(410,403)
Deferred outflows - pensions	50,392	170,711	-	221,103
Increase (decrease) in				
Accounts payable	50,680	241,096	-	291,776
Accrued salaries and benefits	13,066	16,030	-	29,096
Compensated absences	54,429	69,016	-	123,445
Deferred inflows - pensions	(15,317)	(31,951)	-	(47,268)
Net cash provided by operating activities	$ 254,634	$ 66,175	$ -	$ 320,809
Noncash capital and related financing activities				
Capital assets acquired included in accounts payable	$ -	$ 102,403	$ -	$ 102,403

See accompanying notes to financial statements.

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; and water and sewer utility services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Twins 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 2024 was $2,943,822. 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.

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 2024 was $74,787. 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 assets 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 assets 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.

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.

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. The golf course was closed in 2023 and the Golf Course Fund was closed in 2024.

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

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 2024 was 6.1747 mills ($6.1747 for $1,000 of assessed valuation) consisting of 4.6377 mills for general purposes, 0.0570 mills for fire, 0.4900 mills for recreation, 0.0550 mills for pension and 0.9350 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 2024 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 trivial 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.

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 assts that will no longer be used by the Borough. No impairment losses were recognized in the year ended December 31, 2024.

Compensated Absences
Borough policies permit employees to accumulate earned but unused vacation and sick days and compensatory leave. The liability for unused sick and vacation days, along with compensatory leave, is recorded as a noncurrent liability in the government-wide and proprietary fund financial statements. A liability for these amounts is recorded for leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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.

Leases Payable
Lease liabilities represent the Borough's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement dated based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The Borough has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these lease are not included as lease liabilities on the statements of net position.

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.

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.

Implementation of New Accounting Pronouncements
Effective January 1, 2024, the Borough adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections* and GASB Statement No. 101, *Compensated Absences.*

The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

The objective of GASB Statement No. 101 is to 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 requires 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 is 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.

3. 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.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original and final General Fund budget totaled $6,361,153 for the year ended December 31, 2024.

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.

Expenditures in Excess of Appropriations
The General Fund had the following expenditure functions or categories overspend budgetary appropriations:

Function/Category	Expenditures in Excess of Appropriation
General government	(148,332)
Public works - sanitation	(105,170)
Culture and recreation	(672)
Transfer out	(41,780)

Deficit Fund Equity
The General Fund had a deficit fund balance of $185,765 at December 31, 2024, 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 Street Lighting Fund, a nonmajor fund, had a deficit fund balance of $7,777 at December 31, 2024, which will be funded by property taxes.

The Pension Fund, a nonmajor fund, had a deficit fund balance of $9,285 at December 31, 2024, which will be funded by property taxes.

4. DEPOSITS ANDINVESTMENTS

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, 2024, the carrying amount of the Borough's deposits was $1,574,404 and the bank balance was $1,430,094. Of the bank balance, $250,000 was covered by federal depository insurance and $1,180,094 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.

Investments
The Borough invests in the Pennsylvania Local Government Investment Trust ("PLGIT") which is an external local government investment pool established and administered by the Pennsylvania Local Government Investment Trust. The investment pool is not registered with the SEC and is regulated under the statutory authority of the Commonwealth of Pennsylvania to provide a common investment vehicle for state and local government agencies. PLGIT is valued using amortized cost. Shares of PLGIT are available to be exchanged or redeemed in up to two instances per calendar month without incurring a penalty. There are no limits to the number of redemptions or exchanges that can be made as long as the Borough has a sufficient number of shares to meet their redemption or exchange request.

As of December 31, 2024, the Borough's investment in PLGIT totaled $3,889,066; which is reported as cash in the Borough's financial statements. The Borough's investment in PLIGT was rated AAAm by *S&P Global* as of December 31, 2024.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Governmental activities				
Capital assets not being depreciated				
Land	$ 5,906,644	$ -	$ -	$ 5,906,644
Capital assets being depreciated				
Buildings and improvements	2,312,098	15,212	-	2,327,310
Improvements other than buildings	6,126,538	-	-	6,126,538
Machinery and equipment	4,736,361	265,212	-	5,001,573
Lease assets - equipment	200,000	-	-	200,000
Total capital assets being depreciated	13,374,997	280,424	-	13,655,421
Less: accumulated depreciation				
Buildings and improvements	(1,274,977)	(39,263)	-	(1,314,240)
Improvements other than buildings	(3,559,952)	(141,888)	-	(3,701,840)
Machinery and equipment	(3,915,453)	(298,208)	-	(4,213,661)
Lease assets - equipment	(120,000)	(40,000)	-	(160,000)
Total accumulated depreciation	(8,870,382)	(519,359)	-	(9,389,741)
Total capital assets being depreciated, net	4,504,615	(238,935)	-	4,265,680
Governmental activities, net	10,411,259	(238,935)	-	10,172,324
Business-type activities				
Capital assets not being depreciated				
Land	$ 1,598,722	$ -	$ -	$ 1,598,722
Construction in progress	5,748,849	-	5,748,849	-
Total capital assets not being depreciated	7,347,571	-	5,748,849	1,598,722
Capital assets being depreciated				
Buildings and improvements	5,115,675	-	-	5,115,675
Improvements other than buildings	15,543,386	5,935,117	-	21,478,503
Machinery and equipment	1,561,270	1,362,726	-	2,923,996
Total capital assets being depreciated	22,220,331	7,297,843	-	29,518,174
Less: accumulated depreciation				
Buildings and improvements	(4,703,347)	(48,555)	-	(4,751,902)
Improvements other than buildings	(11,151,367)	(432,016)	-	(11,583,383)
Machinery and equipment	(449,606)	(241,697)	-	(691,303)
Total accumulated depreciation	(16,304,320)	(722,268)	-	(17,026,588)
Total capital assets being depreciated, net	5,916,011	6,575,575	-	12,491,586
Business-type activities, net	$ 13,263,582	$ 6,575,575	$ 5,748,849	$ 14,090,308

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

Governmental activities	
General government	$ 94,955
Public safety	108,811
Public works	274,456
Culture and recreation	41,137
Total depreciation expense - governmental activities	$ 519,359
Business-type activities	
Sewer	$ 305,419
Water	416,849
Total depreciation expense - business-type activities	$ 722,268

6. INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS,

The composition of interfund balances as of December 31, 2024 is as follows:

Receivable to	Amount	Payable from	Amount
General Fund	$ 1,200	State Liquid Fuels Fund	$ 1,200
General Fund	7,777	Street Lighting Fund	7,777
General Fund	8,921	Pension Fund	8,921
General Fund	99	Debt Service Fund	99
General Fund	338,396	Water Fund	338,396
Water Fund	202,842	Capital Projects Fund	202,842
Capital Projects Fund	43	General Fund	43
Fire Apparatus Fund	5,355	General Fund	5,355
Street Fund	28,782	General Fund	28,782
Recreation Fund	32,821	General Fund	32,821
Sewer Fund	779,432	General Fund	779,432
Sewer Fund	465,000	Water Fund	465,000
	$ 1,870,668		$ 1,870,668

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.

A summary of interfund transfers for the year ended December 31, 2024 is as follows:

Transfers in	Amount	Transfers out	Amount
Capital Projects Fund	$ 490,766	Water Fund	$ 490,766
General Fund	22,256	Water Fund	22,256
General Fund	22,257	Sewer Fund	22,257
Golf Course Fund	18,408	General Fund	18,408
Debt Service Fund	23,372	General Fund	23,372
Debt Service Fund	22,111	Water Fund	22,111
	$ 599,170		$ 599,170

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

7. NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended December 31, 2024:

	Balance January 1, 2024	Increases	Decreases	Balance December 31, 2024	Amount Due Within One Year
Governmental activities					
General obligation debt (as restated)	$ 2,745,860	$ -	$ 402,270	$ 2,343,590	$ 412,920
Leases payable	137,721	-	19,507	118,214	19,901
Compensated absences	9,892	26,562	-	36,454	-
Total noncurrent liabilities governmental activities	$ 2,893,473	$ 26,562	$ 421,777	$ 2,498,258	$ 432,821
Business-type activities					
General obligation debt (as restated)	$ 5,398,931	$ 260,877	$ 222,470	$ 5,437,338	$ 227,530
Direct borrowings	699,053	-	87,043	612,010	89,480
Total notes payable	$ 6,097,984	$ 260,877	$ 309,513	$ 6,049,348	$ 317,010
Compensated absences	28,850	123,445	-	152,295	-
Total noncurrent liabilities business-type activities	$ 6,126,834	$ 384,322	$ 309,513	$ 6,201,643	$ 317,010

Noncurrent liabilities of governmental activities are to be liquidated by the General Fund and Debt Service Fund. Noncurrent liabilities of business-type activities are to be liquidated by water and sewer operations. The change in compensated absences above reflects the net increase to the respective liabilities.

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.

General obligation debt outstanding for governmental activities as of December 31, 2024 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 $595,000 at December 31, 2024.

On January 15, 2016, the Borough issued a Note Payable (the "Series 2016 Note") to a financial institution to borrow a maximum of $3,445,730. 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 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; (c) 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 2033. 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 2033. The actual amount advanced and outstanding as of December 31, 2024 is $1,748,590.

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

Year ending December 31,	Principal Maturities	Interest Maturities	Total Maturities
2025	$ 412,920	$ 61,345	$ 474,265
2026	245,330	67,994	313,324
2027	237,040	76,275	313,315
2028	245,890	67,432	313,322
2029	255,000	58,317	313,317
2030 - 2034	947,410	103,447	1,050,857
	$ 2,343,590	$ 434,810	$ 2,778,400

Direct Borrowings

Direct borrowings are a direct obligation of the Borough for which full faith and credit are pledged and are payable from water revenues and the Borough's taxing authority. The Borough has not pledged any assets as collateral for the direct borrowing. Direct borrowings were issued to finance capital expenditures of the water fund. Upon default of the direct borrowing, the Borough would incur a late charge of 4% of any installment not received within ten (10) days of the default occurrence. Should any installments of principal and interest remain unpaid for more than thirty (3) days, or upon any other default in the performance of other terms contained in the agreement, the whole sum of the direct borrowing shall immediately become due to the Borough; along with any costs of collection and attorney's fees incurred with interest at rate the direct borrowing bears.

General obligation debt and direct borrowings outstanding for business-type activities as of December 31, 2024 consisted of the following:

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 $270,788 at December 31, 2024.

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 214 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 $341,222 at December 31, 2024.

On January 15, 2016, the Borough issued a Note Payable (the "Series 2016 Note") to a financial institution to borrow a maximum of $3,786,540. The proceeds from the issuance of the Series 2016 Note will be used for (a) 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, and (b) 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, 2024 is $2,549,130.

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, 2024 is $2,888,608.

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

Year ending December 31,	Principal Maturities	Interest Maturities	Total Maturities
2025	$ 317,010	$ 153,942	$ 470,952
2026	296,844	174,111	470,955
2027	280,270	190,679	470,949
2028	291,098	179,858	470,956
2029	302,371	168,587	470,958
2030 - 2034	1,707,217	647,532	2,354,749
2035 - 2039	2,074,630	280,138	2,354,768
2040 - 2041	779,908	11,347	791,255
	$ 6,049,348	$ 1,806,194	$ 7,855,542

Leases Payable

The Borough has entered into a lease agreement for the financing of a fire pumper. Initial lease liabilities have been recorded in the amount of $199,778. Lease payments are due monthly with an interest rate of 2.00%. As of December 31, 2024, the value of the lease liabilities was $118,214. The assets are recorded in the amount of $200,000 with an accumulated depreciation of $160,000 as of December 31, 2024 and is included with noncurrent assets on the statement of net position.

The future minimum lease payments as of December 31, 2024 are as follows:

Year ending December 31,	Principal	Interest	Total
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	21,557	526	22,083
2030	14,612	110	14,722
	$ 118,214	$ 6,924	$ 125,138

8. EMPLOYEE RETIREMENT PLANS

The Borough participates in two defined benefit pension plans, (1) the Non-Uniform Pension Plan and (2) the Non-Uniform Cash Balance Plan, both of which are agent multiple-employer pension plans.

As of and for the year ended December 31, 2024, the two plans had the following balances reported in the government-wide financial statements:

	Deferred Outflows of Resources	Net Pension (Asset)	Deferred Inflows of Resources	Pension Expense
Nonuniform Pension Fund	$ 520,169	$ (383,818)	$ -	$ (69,495)
Nonuniform Cash Balance Plan	80,767	(93,416)	43,117	40,116
Total	$ 600,936	$ (477,234)	$ 43,117	$ (29,379)

Non-Uniform Pension Fund

The East Stroudsburg Borough Non-Uniform Pension Plan is controlled by the provisions of Ordinance Number 1258 of the Borough. The Non-Uniform Pension Plan (the "Plan") participates in the Pennsylvania Municipal Retirement System ("PMRS"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a annual comprehensive 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	3
Total	32

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.

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. The Borough's contributions to the plan totaled $192,431 for the year ended December 31, 2024.

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.

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:

Asset Class	Target Allocation	Nominal Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large capitalized firms)	24.50%	7.39%	4.89%
Domestic Equities (small capitalized firms)	8.00%	8.30%	5.80%
International Equities (international developed markets)	14.50%	7.68%	5.18%
International Equities (emerging markets)	3.00%	8.39%	5.89%
Global Equities	5.00%	6.61%	4.11%
Real Estate	10.00%	6.38%	3.88%
Timber	5.00%	5.75%	3.25%
Fixed Income (core investment grade)	24.00%	5.01%	2.51%
Fixed Income (opportunistic credit)	5.00%	6.95%	4.45%
Cash	1.00%	3.39%	0.89%
Total portfolio	100.00%	7.31%	4.81%

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, 2023.

Net Pension Asset

The Borough's net pension asset has been measured as of December 31, 2023. The total pension asset was determined by an actuarial valuation as of January 1, 2023 with assets measured at December 31, 2023. The net pension asset is $383,818 measured as the difference between the total pension liability of $(8,026,323) and the fiduciary net position of $8,410,141.

The Borough's change in total pension liability, plan fiduciary net position, and net pension asset for the year ended December 31, 2023 were as follows:

Asset Class	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances as of December 31, 2022	$ 8,033,689	$ 7,885,787	$ 147,902
Changes for the year:			
Service cost	97,558	-	97,558
Interest on total pension liability	413,044	-	413,044
Employer contributions	-	193,934	(193,934)
Member contributions	-	35,854	(35,854)
PMRS investment income	-	401,711	(401,711)
Market value investment income	-	433,963	(433,963)
Benefit payments	(517,968)	(517,968)	-
PMRS administrative expense	-	(640)	640
Additional administrative expense	-	(22,500)	22,500
Net changes	(7,366)	524,354	(531,720)
Balances as of December 31, 2023	$ 8,026,323	$ 8,410,141	$ (383,818)
Fiduciary net position as a % of total pension liability			104.78%

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Borough calculated using the discount rate 5.25%, as well as what the net pension 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)	$ 461,213	$ (383,818)	$ (1,114,795)

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

For the year ended December 31, 2024, the Borough recognized pension expense of $(69,495). At December 31, 2024 the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,358	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	320,380	-
Contributions subsequent to the measurement date	192,431	-
	$ 520,169	$ -

An amount of $192,431 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, 2025.

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,	
2025	$ 49,382
2026	109,289
2027	255,859
2028	(86,792)
	$ 327,738

Actuarial Methods and Significant Assumptions

- Investment return – 5.25% (including inflation)
- Discount rate – 5.25%
- Inflation – 2.20%
- Salary increases –age related scale with merit and inflation component
- Pre-retirement mortality – Males: PUB-2010 General Employees male table; Females: PUB-2010 General Employees female table
- Healthy Post-retirement mortality – Males: RP-2006 annuitant male table; Females: RP-2006 annuitant female table

Non-Uniform Cash Balance Pension Fund

The East Stroudsburg Non-Uniform Cash Balance Pension Plan (the "Cash Balance Plan") is 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 annual comprehensive 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	1
Total	18

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.

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. The Borough's contributions to the plan totaled $78,736 for the year ended December 31, 2024.

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) 2.20% inflation and salary increases ranging from 2.79% to 6.22%. The unfunded actuarial accrued liability is being amortized on the level dollar closed basis.

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:

Asset Class	Target Allocation	Nominal Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large capitalized firms)	24.50%	7.39%	4.89%
Domestic Equities (small capitalized firms)	8.00%	8.30%	5.80%
International Equities (international developed markets)	14.50%	7.68%	5.18%
International Equities (emerging markets)	3.00%	8.39%	5.89%
Global Equities	5.00%	6.61%	4.11%
Real Estate	10.00%	6.38%	3.88%
Timber	5.00%	5.75%	3.25%
Fixed Income (core investment grade)	24.00%	5.01%	2.51%
Fixed Income (opportunistic credit)	5.00%	6.95%	4.45%
Cash	1.00%	3.39%	0.89%
Total portfolio	100.00%	7.31%	4.81%

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, 2023.

Net Pension Asset

The Borough's net pension asset has been measured as of December 31, 2023. The total pension liability was determined by an actuarial valuation as of January 1, 2023 with assets measured at December 31, 2023. The net pension asset is $93,416 and measured as the difference between the total pension liability of $(334,939) and the fiduciary net position of $428,355.

The Borough's change in total pension liability, plan fiduciary net position, and net pension asset for the year ended December 31, 2023 were as follows:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances as of December 31, 2022	$ 300,512	$ 356,563	$ (56,051)
Changes for the year:			
Service cost	73,520	-	73,520
Interest on total pension liability	14,565	-	14,565
Difference between expected and actual experience	(12,835)	-	(12,835)
Employer contributions	-	54,941	(54,941)
Member contributions	-	19,239	(19,239)
PMRS investment income	-	18,199	(18,199)
Market value investment income	-	21,915	(21,915)
Transfers	(38,099)	(38,099)	-
Benefit payments	(2,724)	(2,724)	-
PMRS administrative expense	-	(660)	660
Additional administrative expense	-	(1,019)	1,019
Net changes	34,427	71,792	(37,365)
Balances as of December 31, 2023	$ 334,939	$ 428,355	$ (93,416)
Fiduciary net position as a % of total pension liability			127.89%

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

The following presents the net pension asset of the Borough calculated using the discount rate 5.25%, as well as what the net pension 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 (asset)	$ (26,428)	$ (93,416)	$ (160,404)

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

For the year ended December 31, 2024, the Borough recognized pension expense of $40,116. At December 31, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 43,117
Net difference between projected and actual earnings on pension plan investments	2,031	-
Contributions subsequent to the measurement date	78,736	-
	$ 80,767	$ 43,117

An amount of $78,736 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, 2025.

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,	
2025	$ (8,471)
2026	(3,982)
2027	2,383
2028	(9,176)
2029	(4,793)
Thereafter	(17,047)
	$ (41,086)

Actuarial Methods and Significant Assumptions

- Investment return – 5.25% (including inflation)
- Discount rate – 5.25%
- Inflation – 2.20%
- Salary increases – age related scale with merit and inflation component
- Pre-retirement mortality – Males: PUB-2010 General Employees male table; Females: PUB-2010 General Employees female table
- Post-retirement mortality – Males: RP-2006 annuitant male table; Females: RP-2006 annuitant female table

9. 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.

10. 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 2024. 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.

11. RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE

During 2024 the Borough identified errors in liabilities of Governmental Activities, Business-Type Activities, the General Fund, and the Water Fund. Specifically, items recorded as returnable deposits (liability) in the amount of $126,958 should have been recorded as revenue as they were penalties and fees due to the Borough, or a reduction to expenditures/expenses when returned to the third-party. In addition, the Borough identified notes payable of $2,738,230 that were recorded in Governmental Activities that should have been recorded in Business-Type Activities and the Water Fund, as debt related to and expected to be paid from a proprietary funds should be reported in the applicable proprietary fund. The effect of correcting these errors is presented in the table below:

	Net Position / Fund Balance 12/31/2023 As Previously Reported	Error Correction	Net Position / Fund Balance 12/31/2023 As Restated
Government-Wide:			
Governmental Activities	$ 5,426,519	$ 2,865,188	$ 8,291,707
Business-type Activities	$ 16,319,052	$ (2,738,230)	$ 13,580,822
Total	$ 21,745,571	$ 126,958	$ 21,872,529
Governmental Funds:			
Major Fund			
General Fund	$ (580,537)	$ 126,958	$ (453,579)
Proprietary Funds:			
Major Fund			
Water Fund	$ 9,915,159	$ (2,738,230)	$ 7,176,929

12. SUBSEQUENT EVENTS

On March 18, 2025, the Borough issued $5,273,000 of general obligation bonds and notes to fund various projects and refund a portion of the 2016 series notes. The interest rates of the notes range from 3.95% - 5.50% and the maturity date is October 1, 2044.

REQUIRED SUPPLEMENTARY INFORMATION

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes			
Real estate-current year levy	$ 2,137,372	1,893,590	$ (243,782)
Real estate-current year levy - interim	202	6,665	6,463
Real estate-prior years levy	336	-	(336)
Real estate-payment in lieu	5,500	11,421	5,921
Real estate-delinquent taxes	85,948	69,900	(16,048)
Total real estate taxes	2,229,358	1,981,576	(247,782)
Local tax enabling act (Act 511)			
Real estate transfer	160,000	182,575	22,575
Earned income tax	1,200,000	1,085,259	(114,741)
Municipal services tax	350,000	309,833	(40,167)
Total local tax enabling act	1,710,000	1,577,667	(132,333)
Total taxes	3,939,358	3,559,243	(380,115)
Licenses and permits			
Health/restaurant licenses	10,000	15,125	5,125
Rental license	165,000	161,694	(3,306)
Short term rental license	2,500	-	(2,500)
Event permit fees	1,500	1,650	150
Street opening permits	9,000	16,133	7,133
Zoning permits and fees	50,000	58,082	8,082
Zoning plan review	25,000	79,782	54,782
Building permits	75,000	124,074	49,074
Resale inspections	5,000	23,965	18,965
Miscellaneous permits	2,000	996	(1,004)
Total licenses and permits	345,000	481,501	136,501
Fines and forfeits			
Vehicle code violations	180,000	215,920	35,920
Violation of zoning ordinances and statutes	25,000	38,760	13,760
Total fines and forfeits	205,000	254,680	49,680
Interest, rent and royalties			
Interest income	50,000	32,649	(17,351)
Royalties - cell tower	40,000	31,338	(8,662)
Cable TV franchise tax	105,000	102,181	(2,819)
Total interest, rent and royalties	195,000	166,168	(28,832)
Intergovernmental revenues			
General municipal pension aid	46,070	53,836	7,766
Public utility realty/beverage tax	3,875	3,700	(175)
Performance Grant - Twin Boroughs	22,000	20,481	(1,519)
American recovery funds	250,000	543,784	293,784
Fire insurance premium tax	46,750	49,399	2,649
Total intergovernmental revenues	368,695	671,200	302,505

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues (continued)			
Charges for services			
Closing report fee	$ 8,000	$ 9,627	$ 1,627
Meter revenue	125,000	96,647	(28,353)
Parking permits	20,000	20,242	242
Parking permits-residential	525	2,930	2,405
Meter bags	850	223	(627)
PennDOT snow removal	20,582	25,066	4,484
Borough DPW services	750	534	(216)
Solid waste user fees	930,000	915,231	(14,769)
Solid waste fees prior/delinquent	27,500	20,372	(7,128)
Solid waste bulk	7,500	14,945	7,445
Garbage lien interest	10,000	17,052	7,052
Total charges for services	1,150,707	1,122,869	(27,838)
Miscellaneous			
Miscellaneous income	5,000	16,995	11,995
Shopping cart fees	4,000	3,250	(750)
Stroudsburg share of employees	9,000	7,593	(1,407)
Employee contribution healthcare	9,099	11,135	2,036
Damage to Borough property	15,000	75,167	60,167
Dividends received	91,000	304,921	213,921
Total miscellaneous	133,099	419,061	285,962
Total revenues	6,336,859	6,674,722	337,863
Expenditures			
General government			
Legislative body			
Council salary	15,000	14,833	167
Mayor salary	5,000	5,500	(500)
FICA	1,240	1,244	(4)
Medicare	290	291	(1)
Training/conferences	2,000	100	1,900
Dues/subscriptions	4,500	1,641	2,859
Miscellaneous/travel	500	-	500
Total legislative body	28,530	23,609	4,921

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
General government (continued)			
Administration			
Manager salary	$ 63,608	$ 75,949	$ (12,341)
Director of public works salary	48,925	48,698	227
Staff salary	72,209	65,305	6,904
FICA	11,501	9,407	2,094
Medicare	2,690	2,202	488
Overtime	750	161	589
Office supplies	4,000	7,232	(3,232)
Office equipment/furniture	500	1,694	(1,194)
IT expenses	8,250	20,313	(12,063)
Computer equipment/supplies	5,000	10,705	(5,705)
Equipment repairs/maintenance	1,375	682	693
Vehicle expense	750	135	615
Data storage software	4,250	1,750	2,500
Telephone/internet	4,325	3,568	757
Postage	9,250	10,615	(1,365)
Travel	1,600	-	1,600
Advertising/printing	2,750	3,334	(584)
Dues/subscription/memberships	6,250	8,562	(2,312)
Conferences/training	1,250	253	997
Property and liability insurance	17,322	15,239	2,083
Workers compensation insurance	5,420	6,135	(715)
Deductible	1,788	-	1,788
Public officials liability	3,089	1,847	1,242
Life/disability insurance	3,089	2,045	1,044
Major medical (BC/BS)	85,157	50,170	34,987
Health insurance buyout/HRA	1,844	1,570	274
Nonuniform pension MMO	25,915	27,597	(1,682)
Unemployment compensation	2,236	2,674	(438)
Total administration	395,093	377,842	17,251
Auditing services/financial administration			
Finance Director	34,000	21,095	12,905
Staff salary	34,207	37,373	(3,166)
FICA	-	3,727	(3,727)
Medicare	-	814	(814)
Overtime	-	118	(118)
Trustee charge bond payment	3,400	3,550	(150)
Auditing services	16,592	5,900	10,692
Accounting services	2,210	2,094	116
Billing software	7,650	2,656	4,994
Accounting software	3,910	2,471	1,439
Credit card fees	9,690	18,026	(8,336)
Total auditing services/financial administration	111,659	97,824	13,835
Tax collection			
Salary-tax collector	8,500	8,279	221
FICA	527	510	17
Medicare	123	119	4
Materials and supplies	3,200	1,732	1,468
Commissions			
Delinquent real estate	3,200	5,559	(2,359)

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
General government (continued)			
Tax collection (continued)			
Local service tax	$ 4,500	$ 5,447	$ (947)
Earned income tax	15,500	16,641	(1,141)
Real estate transfer tax	1,500	3,143	(1,643)
Total tax collection	37,050	41,430	(4,380)
Solicitor/legal services			
Legal expenses	125,000	163,559	(38,559)
Engineering services			
Engineering services	25,000	157,655	(132,655)
General government buildings and plant			
Materials and supplies	450	200	250
Electricity	4,568	4,955	(387)
Electricity annex	1,125	1,266	(141)
Gas (heat) annex	1,013	2,117	(1,104)
Maintenance and repair	1,575	2,153	(578)
Maintenance and repair annex	1,125	7,910	(6,785)
Total general government buildings and plant	9,856	18,601	(8,745)
Total general government	732,188	880,520	(148,332)
Public safety			
Police			
Regional police services	2,943,822	2,943,822	-
Fire			
Auxiliary donation	8,000	8,000	-
Vehicle maintenance/supplies	33,000	33,837	(837)
Small tools/equipment	1,500	1,255	245
Telephone/internet	2,500	1,456	1,044
Radio maintenance	-	-	-
Electricity	11,500	10,715	785
Gas (heat)	500	351	149
Equipment testing	10,000	6,512	3,488
Building maintenance	10,000	12,612	(2,612)
Contracted services	2,500	2,821	(321)
Contribution - fire relief fund	47,750	49,399	(1,649)
Workers compensation insurance	8,085	11,318	(3,233)
Total fire	135,335	138,276	(2,941)

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety (continued)			
UCC and code enforcement			
Code enforcement officer salary	$ 30,240	$ 53,251	$ (23,011)
Staff salary	194,594	126,761	67,833
FICA	14,033	11,444	2,589
Medicare	3,282	2,676	606
Overtime	1,500	5,409	(3,909)
Materials and supplies	4,000	3,892	108
Computer equipment/supplies	2,000	-	2,000
Uniforms	3,000	107	2,893
Vehicle operation	1,500	295	1,205
Vehicle maintenance	750	178	572
Software license	8,000	3,633	4,367
Advertising/printing	4,000	5,624	(1,624)
Dues/subscriptions/memberships	300	2,531	(2,231)
Conferences/training	750	315	435
Property and liability insurance	11,118	9,782	1,336
Workers compensation insurance	3,479	3,937	(458)
Public officials liability	1,148	1,186	(38)
Life/disability insurance	1,983	1,313	670
Major medical (BC/BS)	54,660	32,202	22,458
Health insurance buyout/HRA	1,184	1,008	176
Nonuniform pension MMO	16,634	17,714	(1,080)
Unemployment compensation	1,435	1,716	(281)
Total UCC and code enforcement	359,590	284,974	74,616
Planning and zoning			
Engineering	50,000	12,965	37,035
Legal services	5,500	1,143	4,357
Contracted permitting	75,000	164,798	(89,798)
Total planning and zoning	130,500	178,906	(48,406)
Emergency services			
Monroe County Control Center	74,788	74,787	1
Total public safety	3,644,035	3,620,765	23,270
Human and health services			
General health services			
Salaries and wages	14,559	10,734	3,825
FICA	903	661	242
Medicare	211	155	56
Total human and health services	15,673	11,550	4,123

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works - sanitation			
Recycling/solid waste collection and disposal			
Staff salaries	$ 117,415	$ 115,737	$ 1,678
FICA	7,280	7,170	110
Medicare	1,703	1,677	26
Overtime	500	1,138	(638)
Uniforms	1,500	552	948
Materials and supplies	400	2,627	(2,227)
Recycling grant to Twin boroughs	30,000	20,481	9,519
Conferences/training	-	-	-
Landfill engineering	8,500	9,370	(870)
Refuse collection/disposal contract	800,000	926,152	(126,152)
Trash bags	7,500	9,425	(1,925)
Property and liability insurance	7,008	6,165	843
Workers compensation insurance	2,193	2,482	(289)
Public officials liability	723	747	(24)
Life/disability insurance	1,250	827	423
Major medical (BC/BS)	34,453	20,297	14,156
Health insurance buyout/HRA	746	635	111
Nonuniform pension MMO	10,484	11,165	(681)
Unemployment compensation	904	1,082	(178)
Total public works - sanitation	1,032,559	1,137,729	(105,170)
Public works - highways and streets			
Street department			
DPW Foreman salary	24,955	25,399	(444)
Staff salary	146,586	154,313	(7,727)
FICA	11,057	11,421	(364)
Medicare	2,586	2,658	(72)
Overtime	6,800	4,167	2,633
Office supplies	850	1,584	(734)
Safety equipment	1,479	2,759	(1,280)
Computer equipment/supplies	510	1,910	(1,400)
Office equipment maintenance/repair	85	109	(24)
Vehicle operation (fuel, oil, fluids)	12,920	16,953	(4,033)
Uniforms	1,921	2,384	(463)
Vehicle maintenance repair	6,766	6,749	17
Small tools/minor equipment	13,909	14,579	(670)
Telephone/internet	425	312	113
Electricity	1,360	1,080	280

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works - highways and streets (continued)			
Gas (heat)	$ 2,040	$ 950	$ 1,090
Building Maintenance	1,380	1,636	(256)
Equipment maintenance and repair	5,957	8,452	(2,495)
Conferences/training	1,080	1,064	16
Capital improvements	181,514	149,827	31,687
Property-liability insurance	11,026	9,700	1,326
Workers comp insurance	3,450	3,905	(455)
Public officials liability	1,138	1,176	(38)
Life/disability insurance	1,966	1,302	664
Major medical (BC/BS)	54,205	31,934	22,271
Health insurance buyout/HRA	1,174	1,000	174
Nonuniform pension MMO	16,495	17,566	(1,071)
Unemployment compensation	1,423	1,702	(279)
Total street department	515,057	476,591	38,466
Cleaning of streets and gutters			
Machinery maintenance/supplies	10,000	45,268	(35,268)
Winter maintenance - snow removal			
Snow and ice removal supplies	4,250	22,609	(18,359)
Traffic control devices			
Electric	-	-	-
Material and supplies	2,750	11,372	(8,622)
	2,750	11,372	(8,622)
Street lighting			
Electric	32,300	35,188	(2,888)
Street light repair	563	409	154
Operation/maintenance	750	254	496
Total street lighting	33,613	35,851	(2,238)
Storm sewers and drains			
Materials and supplies	-	1,058	(1,058)
Storm Water Project MS4	175,000	-	175,000
Total storm sewers and drains	175,000	1,058	173,942
Maintenance and repairs of roads and bridges			
Materials and supplies/street maintenance	1,500	517	983
Total maintenance and repairs of roads and bridges	1,500	517	983
Total public works - highways and streets	742,170	593,266	148,904

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public works - other			
Parking			
Parking enforcement officer	$ 84,240	$ 77,973	$ 6,267
FICA	5,269	4,979	290
Medicare	1,232	1,152	80
Overtime	750	835	(85)
Uniforms	1,500	612	888
Vehicle registration/inspection	1,500	2,312	(812)
Meter purchase	3,500	1,037	2,463
Software	10,500	15,001	(4,501)
Postage	500	27	473
Radio purchase/maintenance	750	300	450
Advertising/printing	2,250	2,618	(368)
Parking lot maintenance	250	2,534	(2,284)
Meter repair/maintenance supplies	2,000	1,724	276
Property and liability insurance	4,676	4,113	563
Workers compensation insurance	1,463	1,656	(193)
Public officials liability	483	499	(16)
Life/disability insurance	834	552	282
Major medical (BC/BS)	22,985	13,542	9,443
Health insurance buyout/HRA	498	424	74
Nonuniform pension MMO	6,995	7,449	(454)
Unemployment compensation	603	722	(119)
Total parking	152,778	140,061	12,717
Storm water and flood control			
Engineering	8,000	-	8,000
Equipment maintenance and repairs	3,250	1,936	1,314
Total storm water and flood control	11,250	1,936	9,314
Total public works - other	164,028	141,997	22,031
Culture and recreation			
Participant recreation			
MCCD stream gauge	500	-	500
Total participant recreation	500	-	500

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – General Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Shade trees			
Materials and supplies	$ 518	$ 518	$ -
Maintenance	7,300	7,300	-
New planting	682	1,854	(1,172)
Total shade trees	8,500	9,672	(1,172)
Total culture and recreation	9,000	9,672	(672)
Community development			
Economic development			
Comprehensive plan implementation	5,000	784	4,216
Community development (continued)			
Community development - other			
Maintenance and repair (decorations)	5,000	2,978	2,022
IBW	1,500	381	1,119
Contribution ECA	10,000	10,000	-
Total community development - other	16,500	13,359	3,141
Total community development	21,500	14,143	7,357
Total expenditures	6,361,153	6,409,642	(48,489)
Excess (deficiency) of revenues over (under) expenditures	(24,294)	265,080	289,374
Other financing sources (uses)			
Transfers in	44,514	44,514	-
Transfers out	-	(41,780)	(41,780)
Total other financing sources (uses)	44,514	2,734	(41,780)
Net change in fund balance	$ 20,220	267,814	$ 247,594
Fund balance			
Beginning of the year, as restated		(453,579)	
End of year		$ (185,765)	

See Independent Auditor's Report.

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

	Measurement Date																	
	2023		2022		2021		2020		2019		2018		2017		2016		2015	
	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund	Nonuniform Pension Fund	Nonuniform Cash Balance Pension Fund
Total pension liability																		
Service cost	$ 97,558	$ 73,520	$ 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
Interest on total pension liability	413,044	14,565	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
Changes of assumptions	-	-	-	-	-	-	417,822	-	-	-	-	-	-	-	182,587	-	(64,731)	-
Changes of benefits	-	-	-	-	-	-	-	-	-	-	-	661	-	-	-	-	-	-
Differences between expected and actual experience	-	(12,835)	22,075	(1,848)	-	(31,317)	(436,223)	(7,791)	-	-	197,635	(1)	-	(8,424)	(123,841)	(1,153)	-	-
Transfers	-	(38,099)	-	-	-	-	-	-	-	(21,654)	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(517,968)	(2,724)	(539,976)	-	(356,681)	-	(439,038)	-	(360,992)	-	(428,081)	-	(310,112)	-	(221,526)	-	(193,095)	-
Net change in total pension liability	(7,366)	34,427	(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
Total pension liability, beginning	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
Total pension liability, ending	$ 8,026,323	$ 334,939	$ 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
Plan fiduciary net position																		
Employer contributions	$ 193,934	$ 54,941	$ 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
Member contributions	35,854	19,239	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	-
PMRS investment income	401,711	18,199	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
Market value investment income	433,963	21,915	(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)
Transfers	-	(38,099)	-	-	-	-	-	-	-	(21,654)	-	-	-	-	-	-	-	-
Benefit payments	(517,968)	(2,724)	(539,976)	-	(356,681)	-	(439,038)	-	(360,992)	-	(428,081)	-	(310,112)	-	(221,526)	-	(193,095)	-
PMRS administrative expense	(640)	(660)	(660)	(360)	(680)	(360)	(680)	(300)	(680)	(280)	(680)	(160)	(680)	(120)	(680)	(80)	(680)	(100)
Additional administrative expense	(22,500)	(1,019)	(21,847)	(853)	(22,672)	(688)	(17,220)	(411)	(12,889)	(230)	(14,951)	(195)	(14,720)	(123)	(16,315)	(86)	(13,124)	(47)
Net change in plan fiduciary net position	524,354	71,792	(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
Fiduciary net position, beginning	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
Fiduciary net position, ending	$ 8,410,141	$ 428,355	$ 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
Net pension liability (asset), ending	$ (383,818)	$ (93,416)	$ 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
Fiduciary net position as a % of total pension liability	104.78%	127.89%	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%
Covered payroll	$ 568,848	$ 904,683	$ 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
Net pension liability as a % of covered payroll	-67.47%	-10.33%	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%

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.

See Independent Auditor's Report.

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

Nonuniform Pension Fund

Measurement Date December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
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%
2023	$ 193,934	$ 193,934	$ -	$ 568,848	34.09%

Nonuniform Cash Balance Pension Fund

Measurement Date December 31	Statutorily Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
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%
2023	$ 54,941	$ 54,941	$ -	$ 904,683	6.07%

See Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

Borough of East Stroudsburg
Budgetary Comparison Schedule – State Liquid Fuels Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest, rent and royalties			
Interest income	$ 165	$ 29,783	$ 29,618
Intergovernmental revenues			
PennDOT liquid fuels allocation	240,000	244,457	4,457
Turnback allocation	6,040	6,040	-
Total intergovernmental revenues	246,040	250,497	4,457
Total revenues	246,205	280,280	34,075
Expenditures			
Public works - highways and streets			
Street department			
Vehicle maintenance	1,600	-	1,600
Equipment maintenance	15,000	4,255	10,745
Capital purchase	130,596	130,596	-
Total street department	147,196	134,851	12,345
Street cleaning			
Materials and supplies	38,000	-	38,000
Winter maintenance - snow removal			
Snow and ice removal supplies	59,250	52,463	6,787
Contracted snow removal	2,000	1,430	570
Total winter maintenance - snow removal	61,250	53,893	7,357
Traffic control devices			
Electricity	15,000	4,233	10,767
Material and supplies	41,250	30,037	11,213
Total traffic control devices	56,250	34,270	21,980
Street lighting			
Electric	62,700	83,642	(20,942)
Street light repair	187	-	187
Total street lighting	62,887	83,642	(20,755)
Storm sewers and drains			
Materials and supplies	6,000	2,549	3,451
Maintenance and repairs of roads and bridges			
Materials and supplies/street maintenance	-	897	(897)
Street paving	269,304	230,371	38,933
Total maintenance and repairs of roads and bridges	269,304	231,268	38,036
Total public works - highways and streets	640,887	540,473	100,414
Total expenditures	640,887	540,473	100,414
Excess (deficiency) of revenues over (under) expenditures	(394,682)	(260,193)	134,489
Other financing sources (uses)			
Transfers in	400,000	-	(400,000)
Total other financing sources (uses)	400,000	-	(400,000)
Net change in fund balance	$ 5,318	$ (260,193)	$ (265,511)
Fund balance			
Beginning of the year		575,245	
End of year		$ 315,052	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Fire Apparatus Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes			
Real estate-current year levy	$ 26,270	$ 24,503	$ (1,767)
Real estate-current year levy - interim	4	97	93
Real estate-current year levy - prior year	6	-	(6)
Real estate-delinquent	1,518	1,777	259
Total taxes	27,798	26,377	(1,421)
Interest, rent and royalties			
Interest income	-	59	59
Total revenues	27,798	26,436	(1,362)
Expenditures			
General government			
Tax collection			
Materials and supplies	-	3	(3)
Total tax collection	-	3	(3)
Total general government	-	3	(3)
Public safety			
Fire			
Equipment lease	23,924	22,083	1,841
Total maintenance and repairs of roads and bridges	23,924	22,083	1,841
Total fire	23,924	22,083	1,841
Total expenditures	23,924	22,086	1,838
Excess (deficiency) of revenues over (under) expenditures	3,874	4,350	476
Net change in fund balance	$ 3,874	$ 4,350	$ 476
Fund balance			
Beginning of the year		6,870	
End of year		$ 11,220	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Recreation Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes			
Real estate-current year levy	$ 225,826	$ 210,639	$ (15,187)
Real estate-current year levy - interim	33	1,063	1,030
Real estate-current year levy - prior year	55	-	(55)
Real estate-delinquent taxes	13,644	15,959	2,315
Total taxes	239,558	227,661	(12,872)
Interest, rent and royalties			
Interest income	-	4	4
Intergovernmental revenues			
ARPA grant cameras	-	7,992	7,992
Total revenues	239,558	235,657	(4,876)
Expenditures			
General government			
Dues/subscription/memberships	-	270	(270)
Total administration	-	270	(270)
Total general government	-	270	(270)
Culture and recreation			
Participant recreation			
Building maintenance/repair (pool)	1,250	3,624	(2,374)
Pool maintenance and repairs	2,500	891	1,609
Small tools and equipment (pool)	500	9	491
Materials and supplies (pool)	500	184	316
Electricity (pool)	10,000	10,697	(697)
Gas (pool)	1,000	381	619
Maintenance and repair services (pool)	550	436	114
Stewardship contribution (SROSRC)	167,990	147,180	20,810
Total participant recreation	184,290	163,402	20,888
Parks			
Recreation equipment	500	-	500
Tools minor equipment	100	146	(46)
Telephone/internet	1,850	1,935	(85)
Electric	1,500	1,925	(425)
Land maintenance	3,138	1,623	1,515
Equipment mantenance and repairs	5,000	3,374	1,626
Building maintenance and repairs	20,000	21,288	(1,288)
Portable toilet rentals	2,000	2,030	(30)
Capital purchase	16,862	15,992	870
Total parks	50,950	48,313	870
Total culture and recreation	235,240	211,715	21,758
Total expenditures	$ 235,240	$ 211,985	$ 21,488
Excess (deficiency) of revenues over (under) expenditures	4,318	23,672	(26,364)
Net change in fund balance	$ 4,318	23,672	$ (26,364)
Fund balance			
Beginning of the year		15,949	
End of year		$ 39,621	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Pension Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes			
Real estate-current year levy	$ 25,348	$ 23,643	$ (1,705)
Real estate-current year levy - interim	4	97	
Real estate-current year levy - prior year	7	-	(7)
Real estate-delinquent	1,827	2,136	309
Total taxes	27,186	25,876	(1,403)
Interest, rent and royalties			
Interest income	-	1	1
Total revenues	27,186	25,877	(1,402)
Expenditures			
General government			
Other general government administration			
Nonuniform pension	25,508	32,372	(6,864)
Total general government	25,508	32,372	(6,864)
Total expenditures	25,508	32,372	(6,864)
Excess (deficiency) of revenues over (under) expenditures	1,678	(6,495)	(6,864)
Net change in fund balance	$ 1,678	(6,495)	$ (8,266)
Fund balance			
Beginning of the year		(2,790)	
End of year		$ (9,285)	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Debt Service Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes			
Real estate-current year levy	$ 430,913	$ 401,937	$ (28,976)
Real estate-current year levy - interim	52	1,739	1,687
Real estate-prior years levy	86	-	(86)
Real estate-delinquent taxes	21,434	25,070	3,636
Total taxes	452,485	428,746	(25,340)
Interest, rent and royalties			
Interest income	600	74	(526)
Total revenues	453,085	428,820	(25,866)
Expenditures			
Debt service			
Principal	429,540	402,270	27,270
Interest	22,000	72,033	(50,033)
Total debt service	451,540	474,303	(22,763)
Total expenditures	451,540	474,303	(22,763)
Excess (deficiency) of revenues over (under) expenditures	1,545	(45,483)	(48,629)
Other financing sources			
Transfers in	-	45,483	45,483
Net change in fund balance	$ 1,545	-	$ (3,146)
Fund balance			
Beginning of the year		188	
End of year		$ 188	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Sewer Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 1,811,500	$ 2,000,751	$ 189,251
Other	267,759	219,025	(48,734)
Total operating revenues	2,079,259	2,219,776	140,517
Operating expenses			
Salaries and wages	588,966	668,424	(79,458)
Employee benefits	417,536	327,924	89,612
Administrative expenses	56,068	80,117	(24,049)
Insurance	60,635	64,190	(3,555)
Professional services	101,374	222,423	(121,049)
Repairs and maintenance	651,624	230,704	420,920
Supplies	184,485	155,236	29,249
Utilities	90,173	105,694	(15,521)
Capital improvements	-	-	-
Depreciation	-	305,419	(305,419)
Total operating expenses	2,150,861	2,160,131	(9,270)
Operating income (loss)	(71,602)	59,645	131,247
Nonoperating revenues (expenses)			
Interest income	50,000	109,670	59,670
Intergovernmental revenues	44,715	52,260	7,545
Total nonoperating revenues (expenses)	94,715	161,930	67,215
Change in net position	23,113	221,575	198,462
Transfers in (out)	(22,257)	(22,257)	-
Change in net position	$ 856	199,318	$ 198,462
Net position			
Beginning of year		6,422,301	
End of year		$ 6,621,619	

See Independent Auditor's Report.

Borough of East Stroudsburg
Budgetary Comparison Schedule – Water Fund
For the year ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 2,554,100	$ 2,389,527	$ (164,573)
Other	187,447	213,909	26,462
Total operating revenues	2,741,547	2,603,436	(138,111)
Operating expenses			
Salaries and wages	734,392	787,200	(52,808)
Employee benefits	428,852	443,363	(14,511)
Administrative expenses	75,323	113,534	(38,211)
Insurance	60,635	52,188	8,447
Professional services	143,749	626,088	(482,339)
Repairs and maintenance	2,114,156	334,240	1,779,916
Supplies	231,605	214,512	17,093
Utilities	65,473	57,642	7,831
Depreciation	-	416,849	(416,849)
Total operating expenses	3,854,185	3,045,616	808,569
Operating income (loss)	(1,112,638)	(442,180)	670,458
Nonoperating revenues (expenses)			
Interest income	50,000	49,017	(983)
Interest expense	(215,540)	(156,013)	59,527
Intergovernmental revenues	1,674,715	1,244,310	(430,405)
Total nonoperating revenues (expenses)	1,509,175	1,137,314	(371,861)
Income (loss) before transfers and special item	396,537	695,134	298,597
Transfers out	(277,830)	(535,133)	(257,303)
Change in net position	$ 118,707	160,001	$ 41,294
Net position			
Beginning of year, as restated		7,176,929	
End of year		$ 7,336,930	

See Independent Auditor's Report.

Borough of East Stroudsburg
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2024

	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
Assets									
Cash	$ 554,128	$ 238	$ 5,865	$ -	$ 102	$ -	$ 102	$ 287	$ 560,722
Receivables	-	-	-	-	15,000	-	-	-	15,000
Due from other funds	-	-	5,355	28,782	32,821	-	-	-	66,958
Total assets	$ 554,128	$ 238	$ 11,220	$ 28,782	$ 47,923	$ -	$ 102	$ 287	$ 642,680
Liabilities and Fund Balances (deficit)									
Liabilities									
Accounts payable	$ 237,632	$ -	$ -	$ -	$ 1,294	$ -	$ 466	$ -	$ 239,392
Due to other funds	1,200	-	-	-	-	7,777	8,921	99	17,997
Unearned revenue	-	-	-	-	7,008	-	-	-	7,008
Other liabilities	244	-	-	-	-	-	-	-	244
Total liabilities	239,076	-	-	-	8,302	7,777	9,387	99	264,641
Fund balances (deficit)									
Restricted for									
Public works - highways and streets	315,052	-	-	28,782	-	-	-	-	343,834
Community development	-	238	-	-	-	-	-	-	238
Fire apparatus	-	-	11,220	-	-	-	-	-	11,220
Culture and recreation - parks	-	-	-	-	39,621	-	-	-	39,621
Debt service	-	-	-	-	-	-	-	188	188
Unassigned	-	-	-	-	-	(7,777)	(9,285)	-	(17,062)
Total fund balances (deficit)	315,052	238	11,220	28,782	39,621	(7,777)	(9,285)	188	378,039
Total liabilities and fund balances	$ 554,128	$ 238	$ 11,220	$ 28,782	$ 47,923	$ -	$ 102	$ 287	$ 642,680

Borough of East Stroudsburg
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended December 31, 2024

	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	$ -	$ -	$ 26,377	$ -	227,661	$ -	$ 25,876	$ 428,746	$ 708,660
Investment income	29,783	3,346	59	-	4	-	1	74	33,267
Intergovernmental revenues	250,497	-	-	-	7,992	-	-	-	258,489
Total revenues	280,280	3,346	26,436	-	235,657	-	25,877	428,820	1,000,416
Expenditures									
Current									
General government	-	78,459	2	-	270	-	32,372	-	111,103
Public works - highways and streets	409,877	-	-	-	-	-	-	-	409,877
Culture and recreation	-	-	-	-	211,715	-	-	-	211,715
Capital outlay	130,596	-	-	-	-	-	-	-	130,596
Debt Service									
Principal	-	-	19,507	-	-	-	-	402,270	421,777
Interest	-	-	2,577	-	-	-	-	72,033	74,610
Total expenditures	540,473	78,459	22,086	-	211,985	-	32,372	474,303	1,359,678
Excess (deficiency) of revenues over (under) expenditures	(260,193)	(75,113)	4,350	-	23,672	-	(6,495)	(45,483)	(359,262)
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	45,483	45,483
Net change in fund balances (deficit)	(260,193)	(75,113)	4,350	-	23,672	-	(6,495)	-	(313,779)
Fund balances (deficit)									
Beginning of year	575,245	75,351	6,870	28,782	15,949	(7,777)	(2,790)	188	691,818
End of year	$ 315,052	$ 238	$ 11,220	$ 28,782	$ 39,621	$ (7,777)	$ (9,285)	$ 188	$ 378,039

STATISTICAL INFORMATION

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

Fiscal Year	Total Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes To Tax Levy
2024	$ 2,830,792	$ 2,680,793	94.70%	$ -	$ 2,680,793	94.70%	149,999	5.30%
2023	2,382,210	2,274,900	95.50%	45,381	2,320,281	97.40%	61,929	2.60%
2022	2,140,842	2,033,906	95.00%	96,570	2,130,476	99.52%	10,366	0.48%
2021	1,855,193	1,774,650	95.66%	77,979	1,852,629	99.86%	2,564	0.14%
2020	1,886,128	1,757,067	93.16%	127,177	1,884,244	99.90%	1,884	0.10%
2019	1,928,983	1,795,905	93.10%	132,806	1,928,711	99.99%	272	0.01%
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%

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

Fiscal Year	Property Taxes	Real Estate Transfer	Wage & Income Tax	Municipal Services Tax
2024	6.17	0.5%	0.5%	47.00
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

[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,

Fiscal Year	Total Taxable Assessed Value	Estimated Actual Value of Taxable Property	Assessed Value as a Percentage of Market Value
2024	$ 491,260,530	$ 460,878,180	106.59%
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%

[1] Monroe County property reassessment effective for 2020

Borough of East Stroudsburg
Principal Taxpayers - Unaudited
Year Ending December 31, 2024

Taxpayer	Assessed Valuation
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
Dansbury Properties LLC	4,229,280
Daliot Holdings LLP	2,600,000
ARHC SlestPA01 LLC	2,589,950
	$ 66,162,810