

BOROUGH OF TARENTUM

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF TARENTUM**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT BY  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**

**TABLE OF CONTENTS**

|                                                                                                                                                                          | <u>PAGE</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Independent Auditor's Report</b> .....                                                                                                                                | i-iii       |
| <b>Management's Discussion and Analysis</b> .....                                                                                                                        | iv-xv       |
| <b>BASIC FINANCIAL STATEMENTS</b>                                                                                                                                        |             |
| <b>EXHIBIT A – STATEMENT OF NET POSITION</b> .....                                                                                                                       | 1           |
| <b>EXHIBIT B – STATEMENT OF ACTIVITIES</b> .....                                                                                                                         | 2           |
| <b>EXHIBIT C – BALANCE SHEET – Governmental Funds</b> .....                                                                                                              | 3           |
| <b>EXHIBIT D – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE<br/>SHEET TO THE STATEMENT OF NET POSITION</b> .....                                                     | 4           |
| <b>EXHIBIT E – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br/>FUND BALANCES – Governmental Funds -General Fund</b> .....                                         | 5           |
| <b>EXHIBIT F – RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF<br/>REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE<br/>TO THE STATEMENT OF ACTIVITIES</b> ..... | 6           |
| <b>EXHIBIT G – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br/>FUND BALANCES, BUDGET TO ACTUAL – Governmental Funds -General Fund</b> ...                         | 7           |
| <b>EXHIBIT H – STATEMENT OF PROPRIETARY NET POSITION</b> .....                                                                                                           | 8           |
| <b>EXHIBIT I – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN<br/>NET POSITION – Proprietary Fund</b> .....                                                          | 9           |
| <b>EXHIBIT J – STATEMENT OF CASH FLOWS – Proprietary Fund</b> .....                                                                                                      | 10          |
| <b>EXHIBIT K – STATEMENT OF FIDUCIARY NET POSITION</b> .....                                                                                                             | 11          |
| <b>EXHIBIT L – STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b> .....                                                                                                  | 12          |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b> .....                                                                                                                           | 13-45       |

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**

**TABLE OF CONTENTS**

|                                                                                                                                                | <u>PAGE</u>  |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>SUPPLEMENTARY INFORMATION</b>                                                                                                               |              |
| <b>SCHEDULE 1 - SCHEDULE OF BUDGET AND ACTUAL REVENUES - General Fund .....</b>                                                                | <b>46-47</b> |
| <b>SCHEDULE 2 - SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES</b><br><b>- General Fund .....</b>                                                  | <b>48-53</b> |
| <b>SCHEDULE 3 – COMBINING BALANCE SHEET – Non-Major Governmental Funds .....</b>                                                               | <b>54</b>    |
| <b>SCHEDULE 4 – COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND</b><br><b>CHANGES IN FUND BALANCES – Non-Major Governmental Funds .....</b> | <b>55</b>    |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>                                                                                                      |              |
| <b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – Police</b><br>Pension Plan .....                                          | <b>56</b>    |
| <b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – General</b><br>Employees' Pension Plan .....                              | <b>57</b>    |
| <b>SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED</b><br><b>RATIOS – Police Pension Plan .....</b>                        | <b>58</b>    |
| <b>SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED</b><br><b>RATIOS – General Employees' Pension Plan .....</b>            | <b>59</b>    |
| <b>SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS –</b><br>Post-Retirement Healthcare Plan .....                           | <b>60</b>    |
| <b>SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTIONS AND RELATED</b><br><b>RATIOS – Post-Retirement Healthcare Plan .....</b>                   | <b>61</b>    |
| <b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - Pension Plans .....</b>                                                                       | <b>62</b>    |
| <b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -</b><br>Post-Retirement Healthcare Plan .....                                                  | <b>63</b>    |

**To the Borough Council  
Borough of Tarentum, Pennsylvania**

## **Independent Auditor's Report**

### **Opinions**

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Borough of Tarentum, Allegheny County, Pennsylvania as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Tarentum's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Borough of Tarentum as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Borough of Tarentum and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Tarentum's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Borough of Tarentum'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Tarentum's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

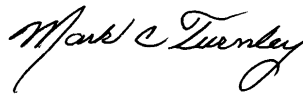
### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-xv and the defined benefit trust funds' historical pension information and post-retirement healthcare plan information on pages 56-63 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Tarentum's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information (Schedules 1-4) is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Mark C. Turnley". The signature is written in a cursive, flowing style.

Mark C. Turnley, CPA

August 6, 2023  
New Brighton, Pennsylvania

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**INTRODUCTION**

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

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD& A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2023 are as follows:

- The Borough's governmental activities net position increased from a deficit of \$1,168,725 at 12/31/2022 to \$1,778,466 at 12/31/2023 – primarily due to a prior period adjustment for interfund balances (refer to Exhibit B). The Borough's business-type activities (Electric, Water and Storm Sewer Funds) net position decreased from \$1,842,807 at 12/31/2022 to \$1,103,226 at 12/31/2023 – primarily due to a prior period adjustment for interfund balances (refer to Exhibit B).
- The Borough's combined governmental fund balance increased from \$628,430 at December 31, 2022 to \$1,193,176 at December 31, 2023 – primarily due to a prior period adjustment for interfund balances (refer to Exhibit E).

**USING THE ANNUAL FINANCIAL REPORT**

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

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



**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**USING THE ANNUAL FINANCIAL REPORT (Continued)**

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

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

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

**Figure A-1**  
**Required Components of**  
**Borough of Tarentum’s Financial Report**

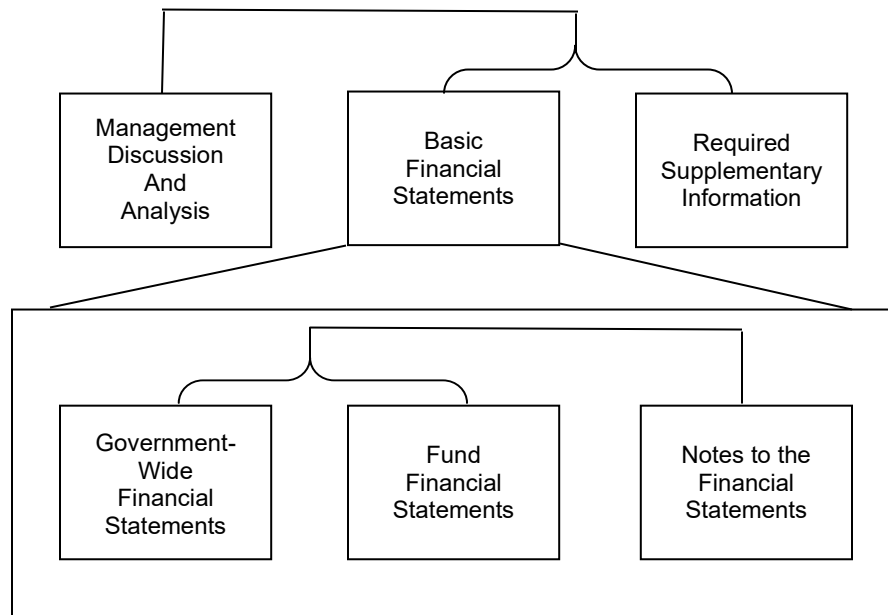


Figure A-2 summarizes the major features of the Borough’s financial statements, including the portion of the Borough they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**USING THE ANNUAL FINANCIAL REPORT (Continued)**

**Figure A-2**  
**Major Features of the Borough of Tarentum**  
**Government-wide and Fund Financial Statements**

|                                        | Government-wide<br>Statements                                                        | Fund Statements                                                                                                                                                                            |                                                                                                                       |                                                                                                   |
|----------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
|                                        |                                                                                      | Governmental<br>Funds                                                                                                                                                                      | Proprietary<br>Funds                                                                                                  | Fiduciary<br>Funds                                                                                |
| Scope                                  | Entire Borough (except fiduciary funds)                                              | The activities of the Borough that are not proprietary or fiduciary, such as education, administration and community services                                                              | Activities the Borough operates similar to private business – Electric & Water Funds                                  | Instances in which the Borough is the trustee or agent to someone else's resources – pension fund |
| Required financial statements          | Statement of net position;<br>Statement of activities                                | Balance sheet;<br>Statement of revenues, expenditures, and changes in fund balance                                                                                                         | Statement of net position;<br>Statement of revenues, expenses and changes in net position;<br>Statement of cash flows | Statement of fiduciary net position;<br>Statement of changes in fiduciary net position            |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus                                      | Modified accrual accounting and current financial resources focus                                                                                                                          | Accrual accounting and economic resources focus                                                                       | Accrual accounting and economic resources focus                                                   |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included                                                            | All assets and liabilities, both financial and capital, and short-term and long-term                                  | All assets and liabilities, both short-term and long-term                                         |
| Type of inflow-outflow information     | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid                                    | All revenues and expenses during year, regardless of when cash is received or paid                |

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**OVERVIEW OF FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE STATEMENTS**

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

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

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

- Governmental activities – All of the Borough's basic services are included here, such as general administration, public safety and public works. Property and Act 511 taxes and state grants finance most of these activities.
- Business-type activities – The Borough operates an electric fund, a water fund and a storm sewer fund and charges user fees to cover the costs of operating the electric, water and storm sewer systems.

**FUND FINANCIAL STATEMENTS**

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

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

**FUND FINANCIAL STATEMENTS (Continued)**

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

**Enterprise Funds** – The Borough’s Electric, Water, and Storm Sewer Funds are responsible for receipting charges for water, electric and storm sewer services rendered to the Borough’s residents and using these funds to defray the cost of maintaining these systems of services.

**Fiduciary Funds** – The Borough is the trustee, or fiduciary, for the police pension fund and a related DROP pension fund. All of the Borough’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on Pages 11 and 12. We exclude these activities from the Borough’s other financial statements because the Borough cannot use these assets to finance its operations.

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

The Borough has presented its financial statements using the reporting model required by Government Accounting Standards Board Statement No. 34 (GASB Statement #34), “Basic Financial Statements and Management’s Discussion and Analysis (MD&A) for State and Local Governments for several years. Comparative information from the prior year is shown as reflected below.

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE (Continued)**

The Borough's net position on December 31, 2023 and 2022 is presented below:

Table A-1

**Summary of Statement of Net Position**  
**Year Ended December 31, 2023 and 2022**

|                                               | ----- DECEMBER 31, 2023 ----- |                     |                      | -MEMO-               |
|-----------------------------------------------|-------------------------------|---------------------|----------------------|----------------------|
|                                               | GOVERNMENTAL                  | BUSINESS-TYPE       | 2023                 | 2022                 |
|                                               | ACTIVITIES                    | ACTIVITIES          | TOTAL                | TOTAL                |
| Current Assets                                | \$ 2,244,409                  | \$ 5,328,243        | \$ 7,572,652         | \$ 7,518,018         |
| Non-Current Assets                            | -                             | 2,597,625           | 2,597,625            | 2,854,051            |
| Deferred Outflows                             | 1,038,931                     | 543,413             | 1,582,344            | 1,643,478            |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>     | <b>\$ 3,283,340</b>           | <b>\$ 8,469,281</b> | <b>\$ 11,752,621</b> | <b>\$ 12,015,547</b> |
| Current Liabilities                           | \$ 269,350                    | \$ 386,658          | \$ 656,008           | \$ 527,577           |
| Long-term Liabilities                         | 501,850                       | 6,979,397           | 7,481,247            | 6,895,390            |
| Deferred Inflows                              | 733,674                       | -                   | 733,674              | 1,581,048            |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b> | <b>\$ 1,504,874</b>           | <b>\$ 7,366,055</b> | <b>\$ 8,870,929</b>  | <b>\$ 9,004,015</b>  |
| Net Investment in                             |                               |                     |                      |                      |
| Capital Assets                                | \$ -                          | \$ (4,107,659)      | \$ (4,107,659)       | \$ (4,032,101)       |
| Restricted - Highways/Streets                 | 2,389                         | -                   | 2,389                | 74,528               |
| Unrestricted (Deficit)                        | 1,776,077                     | 5,210,885           | 6,986,962            | 6,969,105            |
| <b>TOTAL NET POSITION</b>                     | <b>\$ 1,778,466</b>           | <b>\$ 1,103,226</b> | <b>\$ 2,881,692</b>  | <b>\$ 3,011,532</b>  |

The increase in current assets is primarily due to the increase in the receivable accounts. Non-current assets decreased given the lack of significant fixed asset additions in the current year and continued depreciation of the existing assets. Current liabilities increased primarily due to the increase in accounts payable. The increase in long-term liabilities is primarily due to an increase in the net pension liability that is partially offset by a decrease in the long-term debt balance. The change in deferred outflows and deferred inflows is directly related to the updated actuarial valuations received by the Borough related to its pension plan and other post-employment benefits obligations as of 12/31/2023.

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE (Continued)**

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

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

Table A-2  
Year ended December 31, 2023 and 2022  
Changes in Net Position

|                                             | <b>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>BUSINESS-TYPE<br/>ACTIVITIES</b> | <b>2023<br/>TOTAL</b> | <b>2022<br/>TOTAL</b> |
|---------------------------------------------|------------------------------------|-------------------------------------|-----------------------|-----------------------|
| <b>REVENUES</b>                             |                                    |                                     |                       |                       |
| <b>Program Revenues:</b>                    |                                    |                                     |                       |                       |
| Charges for Services                        | \$ 877,956                         | \$ 5,709,448                        | \$ 6,587,404          | \$ 6,471,312          |
| Operating Grants and Contributions          | 450,544                            | -                                   | 450,544               | 653,608               |
| <b>General Revenues:</b>                    |                                    |                                     |                       |                       |
| Property Taxes                              | 568,586                            | -                                   | 568,586               | 642,091               |
| Other Taxes                                 | 770,369                            | -                                   | 770,369               | 732,177               |
| Cable Franchise Fees                        | 57,554                             | -                                   | 57,554                | 60,483                |
| Interest and Rents                          | 208,049                            | -                                   | 208,049               | 127,381               |
| Sale of Fixed Assets                        | 5,250                              | -                                   | 5,250                 | 8,978                 |
| Miscellaneous                               | 82,822                             | 71,500                              | 154,322               | 382,933               |
| Transfers                                   | 1,274,647                          | (1,274,647)                         | -                     | -                     |
| <b>TOTAL REVENUES</b>                       | <b>\$ 4,295,777</b>                | <b>\$ 4,506,301</b>                 | <b>\$ 8,802,078</b>   | <b>\$ 9,078,963</b>   |
| <b>EXPENSES</b>                             |                                    |                                     |                       |                       |
| General Government                          | \$ 205,918                         | \$ -                                | \$ 205,918            | \$ 156,380            |
| Public Safety - Police                      | 1,581,728                          | -                                   | 1,581,728             | 1,446,980             |
| Public Safety - Fire                        | 120,725                            | -                                   | 120,725               | 151,483               |
| Public Safety - Other                       | 228,762                            | -                                   | 228,762               | 205,061               |
| Public Works - Sanitation                   | 587,567                            | -                                   | 587,567               | 408,409               |
| Public Works - Highways                     | 1,369,676                          | -                                   | 1,369,676             | 455,246               |
| Culture and Recreation                      | 85,692                             | -                                   | 85,692                | 68,523                |
| Community Development                       | 25,486                             | -                                   | 25,486                | 31,820                |
| Interest on Debt/Miscellaneous              | 133,227                            | 180,497                             | 313,724               | 570,814               |
| Electric Operations - Operating Expenses    | -                                  | 2,565,166                           | 2,565,166             | 2,838,140             |
| Water Operations - Operating Expenses       | -                                  | 1,535,580                           | 1,535,580             | 1,380,021             |
| Storm Sewer Operations - Operating Expenses | -                                  | 311,914                             | 311,914               | 44,806                |
| <b>TOTAL EXPENSES</b>                       | <b>\$ 4,338,781</b>                | <b>\$ 4,593,157</b>                 | <b>\$ 8,931,938</b>   | <b>\$ 7,757,683</b>   |
| <b>CHANGE IN NET POSITION</b>               | <b>\$ (43,004)</b>                 | <b>\$ (86,856)</b>                  | <b>\$ (129,860)</b>   | <b>\$ 1,321,280</b>   |

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE (Continued)**

Total governmental activities revenues of \$4,295,777 were derived primarily from the following sources: 20.4% from Charges for services, 10.5% from operating grants and contributions, 29.7% for a transfer from business-type activities, 13.2% from property taxes and 26.2% from other taxes/miscellaneous.

Table A-3  
Year ended December 31, 2023 and 2022  
Governmental Activities

|                                                            | 2023                             |                                | 2022                             |                                |
|------------------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                                            | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> |
| <b>EXPENSES</b>                                            |                                  |                                |                                  |                                |
| General Government                                         | \$ 205,918                       | \$ 196,343                     | \$ 156,380                       | \$ 145,654                     |
| Public Safety - Police                                     | 1,581,728                        | 1,175,352                      | 1,446,980                        | 996,715                        |
| Public Safety - Fire                                       | 120,725                          | 102,480                        | 151,483                          | 133,128                        |
| Public Safety - Other                                      | 228,762                          | 184,230                        | 205,061                          | 152,794                        |
| Public Works - Sanitation                                  | 587,567                          | 27,278                         | 408,409                          | (125,425)                      |
| Public Works - Highways                                    | 1,369,676                        | 1,142,890                      | 455,246                          | 214,926                        |
| Culture and Recreation                                     | 85,692                           | 22,995                         | 68,523                           | 46,775                         |
| Community Development                                      | 25,486                           | 25,486                         | 31,820                           | 31,820                         |
| Interest on Debt/Miscellaneous                             | 133,227                          | 133,227                        | 145,314                          | 145,314                        |
| <b>TOTAL EXPENSES</b>                                      | <b>\$ 4,338,781</b>              | <b>\$ 3,010,281</b>            | <b>\$ 3,069,216</b>              | <b>\$ 1,741,701</b>            |
| <b>ASS:</b>                                                |                                  |                                |                                  |                                |
| Unrestricted Grants, Subsidies                             |                                  | -                              |                                  | -                              |
| <b>TOTAL NEEDS FROM LOCAL TAXES<br/>AND OTHER REVENUES</b> |                                  | <b>\$ 3,010,281</b>            |                                  | <b>\$ 1,741,701</b>            |

Table A-4 reflects the activities of the Electric, Water and Storm Sewer Funds, the business-type activities of the Borough for the year 2023 and 2022.

Table A-4  
Year ended December 31, 2023 and 2022  
Business-Type Activities

|                                                  | 2023                             |                                | 2022                             |                                |
|--------------------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                                  | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> | <u>TOTAL COST<br/>OF SERVICE</u> | <u>NET COST<br/>OF SERVICE</u> |
| <b>EXPENSES</b>                                  |                                  |                                |                                  |                                |
| Electric, Water and<br>Storm Sewer Operations    | \$ 4,593,157                     | \$ 1,116,291                   | \$ 4,784,945                     | \$ 993,126                     |
| Interest/Miscellaneous                           |                                  | 71,500                         |                                  | 59,316                         |
| Transfers                                        |                                  | (1,274,647)                    |                                  | (696,895)                      |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES NET INCOME</b> |                                  | <b>\$ (86,856)</b>             |                                  | <b>\$ 355,547</b>              |

**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**GENERAL FUND – COMPARISON OF CHANGE IN FUND BALANCE**

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

|                                                 | <b>2023</b>         | <b>2022</b>         |
|-------------------------------------------------|---------------------|---------------------|
| <b>REVENUES</b>                                 |                     |                     |
| Taxes                                           | \$ 1,298,012        | \$ 1,295,730        |
| Licenses and Permits                            | 63,272              | 71,412              |
| Fines and Forfeitures                           | 14,352              | 15,702              |
| Interest and Rents                              | 77,100              | 70,012              |
| Intergovernmental                               | 514,097             | 497,352             |
| Charges for Services                            | 638,833             | 652,397             |
| Donations                                       | 13,896              | 9,545               |
| Miscellaneous                                   | 843                 | 9,275               |
| <b>TOTAL REVENUES</b>                           | <b>\$ 2,620,405</b> | <b>\$ 2,621,425</b> |
| <b>EXPENSES</b>                                 |                     |                     |
| General Government                              | \$ 206,322          | \$ 196,160          |
| Public Safety                                   | 1,938,703           | 1,764,452           |
| Public Works                                    | 1,430,622           | 1,108,438           |
| Culture and Recreation                          | 58,988              | 32,127              |
| Community Development                           | 25,486              | 31,821              |
| Debt Service/Miscellaneous                      | 131,634             | 368,797             |
| <b>TOTAL EXPENSES</b>                           | <b>\$ 3,791,755</b> | <b>\$ 3,501,795</b> |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                     |                     |
| Sale of Township Property                       | \$ 5,250            | \$ 8,978            |
| Insurance Reimbursements                        | 76,631              | 42,294              |
| Operating Transfers In                          | 1,450,676           | 1,717,484           |
| Operating Transfers Out                         | (463,801)           | (956,773)           |
| Refund of Prior Year Expense                    | 5,345               | 76,657              |
| Refund of Prior Year Revenue                    | (1,589)             | (8,270)             |
| <b>TOTAL OTHER FINANCING SOURCES AND (USES)</b> | <b>\$ 1,072,512</b> | <b>\$ 880,370</b>   |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>\$ (98,838)</b>  | <b>\$ -</b>         |

**GENERAL FUND BUDGET**

In December of 2022, the Borough of Tarentum adopted its annual budget for the General Fund in the amount of \$3,741,359. A schedule showing the Borough's original and final budget amounts compared with amounts actually paid and received is provided in summary form on Page 7, and more detailed in Schedules 1 and 2 on pages 46-53 of the report.



**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

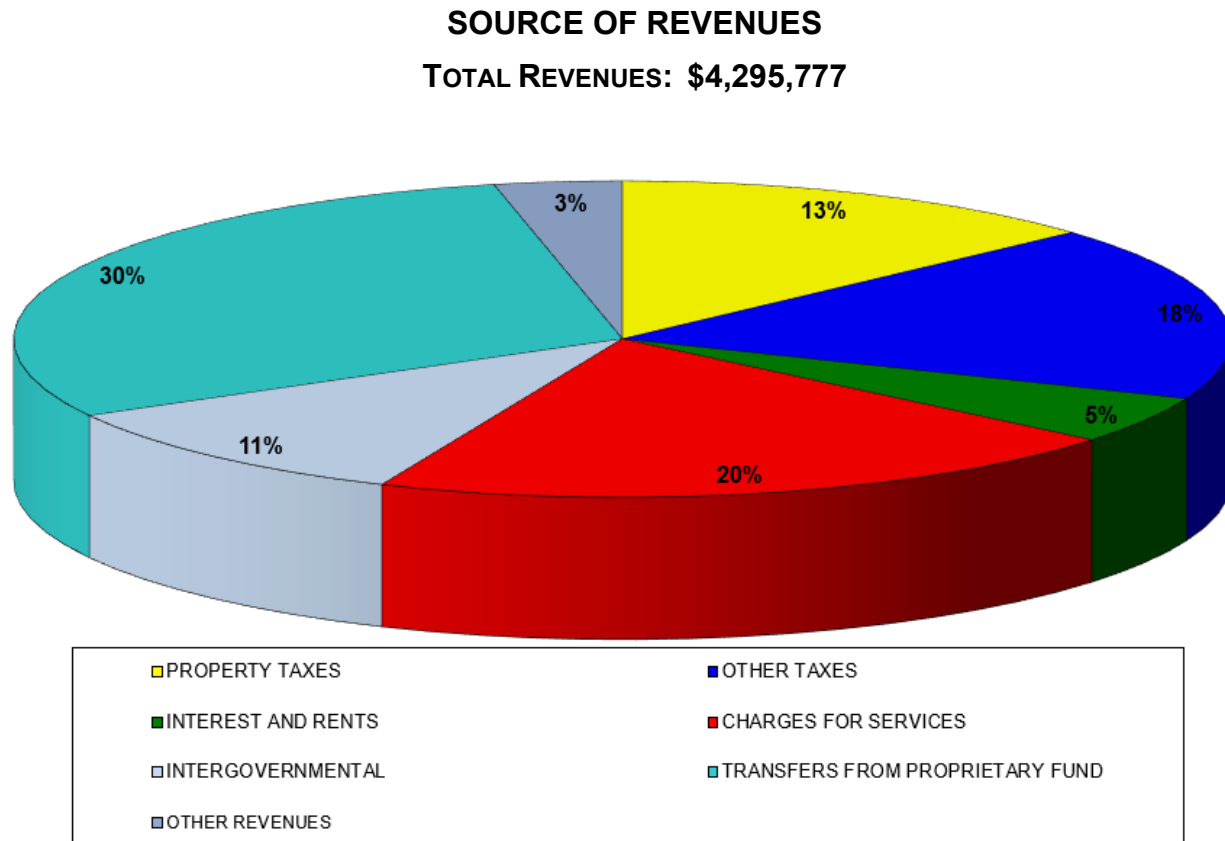
**PROPRIETARY FUNDS (ELECTRIC AND WATER FUNDS)**

The following table compares the revenues, expenses and change in net position of the Borough's Proprietary Funds for the year 2023 and 2022:

|                                  | <b>ELECTRIC FUND</b> |                     | <b>WATER FUND</b>  |                   | <b>STORM SEWER FUND</b> |                  |
|----------------------------------|----------------------|---------------------|--------------------|-------------------|-------------------------|------------------|
|                                  | <b>2023</b>          | <b>2022</b>         | <b>2023</b>        | <b>2022</b>       | <b>2023</b>             | <b>2022</b>      |
| Operating Revenues               | \$ 4,057,788         | \$ 4,055,897        | \$ 1,540,555       | \$ 1,574,467      | \$ 129,875              | \$ 130,070       |
| Operating Expenses               | (2,565,166)          | (2,838,140)         | (1,535,580)        | (1,380,021)       | (311,914)               | (44,806)         |
| <b>OPERATING INCOME (LOSS)</b>   | <b>\$ 1,492,622</b>  | <b>\$ 1,217,757</b> | <b>\$ 4,975</b>    | <b>\$ 194,446</b> | <b>\$ (182,039)</b>     | <b>\$ 85,264</b> |
| Nonoperating Revenues (Expenses) | \$ (45,977)          | \$ (143,805)        | \$ (99,964)        | \$ 5,723          | \$ 18,174               | \$ 5,899         |
| Transfers                        | (1,449,716)          | (1,073,952)         | 28,949             | (140,052)         | 146,120                 | -                |
| <b>CHANGE IN NET POSITION</b>    | <b>\$ (3,071)</b>    | <b>\$ -</b>         | <b>\$ (66,040)</b> | <b>\$ 60,117</b>  | <b>\$ (17,745)</b>      | <b>\$ 91,163</b> |

**PROGRAM REVENUE**

The following chart graphically depicts the government-wide program revenues for the fiscal year ended December 31, 2023.

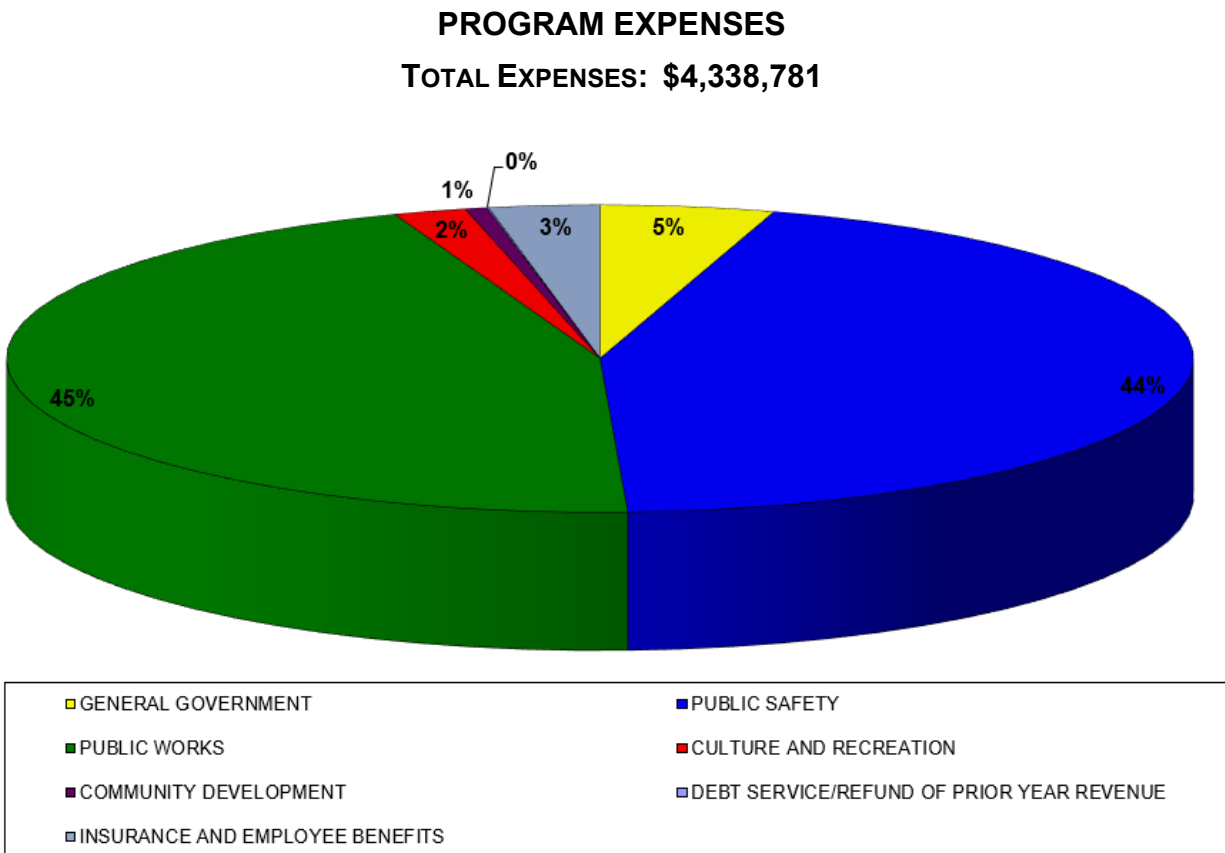


**BOROUGH OF TARENTUM  
ALLEGHENY COUNTY, PENNSYLVANIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
DECEMBER 31, 2023**

**PROGRAM EXPENSES**

Total expenses for all governmental activities in 2023 were \$4,338,781. The expenses reflect the delivery of a wide range of services, with the two largest areas being public safety at 44% and public works at 45%. Insurance and employee benefits made up 3% of expenses and general government expenses were 8% of total expenses.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2023.



**BOROUGH OF TARENTUM**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At December 31, 2023, the Borough had \$2,597,625 invested in capital assets for its proprietary funds, including buildings and improvements, machinery & equipment, and electric system and improvements net of depreciation. This amount represents a net decrease (including additions, deletions and depreciation) of \$256,426 or approximately 9.0% from last year. The Borough had no capital additions during the 2023 year.

**Long Term Debt**

On December 31, 2023, the Borough had \$7,095,000 of long-term debt outstanding in the form of a General Obligation Bonds. This represents a decrease of 3% from December 31, 2022, which is attributable to the Borough paying down the existing debt, absent any new debt in 2023. Additional long-term debt obligations including the Borough's net pension liability, net OPEB liability, and compensated absences are detailed in the Notes to the Financial Statements.

**Contacting the Borough**

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

Dwight Boddorf, Borough Manager  
Borough of Tarentum  
318 Second Avenue  
Tarentum, PA 15084

**BOROUGH OF TARENTUM**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

**EXHIBIT A**

|                                                                               | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|-------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|
| <b><u>ASSETS</u></b>                                                          |                            |                             |                      |
| <b>Current Assets:</b>                                                        |                            |                             |                      |
| Cash and Cash Equivalents                                                     | \$ 4,766,644               | \$ 614,841                  | \$ 5,381,485         |
| Internal Balances                                                             | (3,480,612)                | 3,480,612                   | -                    |
| Taxes Receivable (Net)                                                        | 878,015                    | -                           | 878,015              |
| Utilities Receivable (Net)                                                    | 63,223                     | 518,257                     | 581,480              |
| Prepaid Expense                                                               | -                          | 93,471                      | 93,471               |
| Prepaid Security Deposit                                                      | -                          | 600,000                     | 600,000              |
| Inventory                                                                     | -                          | 21,062                      | 21,062               |
| Other Accounts Receivable                                                     | 17,139                     | -                           | 17,139               |
| <b>Total Current Assets</b>                                                   | <b>\$ 2,244,409</b>        | <b>\$ 5,328,243</b>         | <b>\$ 7,572,652</b>  |
| <b>Noncurrent Assets:</b>                                                     |                            |                             |                      |
| Buildings and Improvements                                                    | \$ -                       | \$ 1,098,178                | \$ 1,098,178         |
| Improvements - Non-building                                                   | -                          | 4,672,749                   | 4,672,749            |
| Machinery & Equipment                                                         | -                          | 1,780,339                   | 1,780,339            |
| Electric System and Improvements                                              | -                          | 3,006,530                   | 3,006,530            |
| Accumulated Depreciation                                                      | -                          | (7,960,171)                 | (7,960,171)          |
| <b>Total Noncurrent Assets</b>                                                | <b>\$ -</b>                | <b>\$ 2,597,625</b>         | <b>\$ 2,597,625</b>  |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 2,244,409</b>        | <b>\$ 7,925,868</b>         | <b>\$ 10,170,277</b> |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>                                  |                            |                             |                      |
| Deferred Interest on Refunding                                                | \$ -                       | \$ 340,858                  | \$ 340,858           |
| Deferred Outflows Related to Pensions                                         | 1,026,365                  | 202,555                     | 1,228,920            |
| Deferred Outflows Related to OPEB                                             | 12,566                     | -                           | 12,566               |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                                   | <b>\$ 1,038,931</b>        | <b>\$ 543,413</b>           | <b>\$ 1,582,344</b>  |
| <b>TOTAL ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b>                    | <b>\$ 3,283,340</b>        | <b>\$ 8,469,281</b>         | <b>\$ 11,752,621</b> |
| <b><u>LIABILITIES</u></b>                                                     |                            |                             |                      |
| <b>Current Liabilities:</b>                                                   |                            |                             |                      |
| Accounts Payable                                                              | \$ 203,211                 | \$ -                        | \$ 203,211           |
| Accrued Interest Payable                                                      | -                          | 55,556                      | 55,556               |
| Accrued Salaries Payable                                                      | 42,065                     | 13,832                      | 55,897               |
| Payroll Deductions and Withholdings                                           | 8,415                      | -                           | 8,415                |
| Current Portion Long-Term Debt                                                | -                          | 210,000                     | 210,000              |
| Other Current Liabilities                                                     | 15,659                     | 107,270                     | 122,929              |
| <b>Total Current Liabilities</b>                                              | <b>\$ 269,350</b>          | <b>\$ 386,658</b>           | <b>\$ 656,008</b>    |
| <b>Noncurrent Liabilities:</b>                                                |                            |                             |                      |
| Bonds Payable - Long Term Portion                                             | \$ -                       | \$ 6,836,142                | \$ 6,836,142         |
| Accrued Compensated Absences                                                  | 16,399                     | 2,568                       | 18,967               |
| Net Pension Liability                                                         | 396,238                    | 140,687                     | 536,925              |
| Net OPEB Liability                                                            | 89,213                     | -                           | 89,213               |
| <b>Total Noncurrent Liabilities</b>                                           | <b>\$ 501,850</b>          | <b>\$ 6,979,397</b>         | <b>\$ 7,481,247</b>  |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 771,200</b>          | <b>\$ 7,366,055</b>         | <b>\$ 8,137,255</b>  |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                   |                            |                             |                      |
| Deferred Inflows Related to Pensions                                          | \$ 631,388                 | \$ -                        | \$ 631,388           |
| Deferred Inflows Related to OPEB                                              | 102,286                    | -                           | 102,286              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ 733,674</b>          | <b>\$ -</b>                 | <b>\$ 733,674</b>    |
| <b><u>NET POSITION</u></b>                                                    |                            |                             |                      |
| Net Investment in Capital Assets (Deficit)                                    | \$ -                       | \$ (4,107,659)              | \$ (4,107,659)       |
| Restricted for Highways and Streets                                           | 2,389                      | -                           | 2,389                |
| Unrestricted                                                                  | 1,776,077                  | 5,210,885                   | 6,986,962            |
| <b>TOTAL NET POSITION</b>                                                     | <b>\$ 1,778,466</b>        | <b>\$ 1,103,226</b>         | <b>\$ 2,881,692</b>  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND NET POSITION</b> | <b>\$ 3,283,340</b>        | <b>\$ 8,469,281</b>         | <b>\$ 11,752,621</b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

| Functions/Programs                                          | Expenses            | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       |
|-------------------------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|-----------------------|
|                                                             |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                 |
| <b>Governmental Activities:</b>                             |                     |                      |                                    |                                  |                                                   |                          |                       |
| General Government                                          | \$ 205,918          | \$ 9,575             | \$ -                               | \$ -                             | \$ (196,343)                                      |                          | \$ (196,343)          |
| Public Safety - Police                                      | 1,581,728           | 238,618              | 167,758                            | -                                | (1,175,352)                                       |                          | (1,175,352)           |
| Public Safety - Fire                                        | 120,725             | -                    | 18,245                             | -                                | (102,480)                                         |                          | (102,480)             |
| Public Safety - Other                                       | 228,762             | 44,532               | -                                  | -                                | (184,230)                                         |                          | (184,230)             |
| Public Works - Sanitation                                   | 587,567             | 560,289              | -                                  | -                                | (27,278)                                          |                          | (27,278)              |
| Public Works - Highways                                     | 1,369,676           | 20,175               | 206,611                            | -                                | (1,142,890)                                       |                          | (1,142,890)           |
| Culture and Recreation                                      | 85,692              | 4,767                | 57,930                             | -                                | (22,995)                                          |                          | (22,995)              |
| Community Development                                       | 25,486              | -                    | -                                  | -                                | (25,486)                                          |                          | (25,486)              |
| Insurance & Employee Benefits                               | 130,847             | -                    | -                                  | -                                | (130,847)                                         |                          | (130,847)             |
| Debt Service/Refund of Prior Year Revenue                   | 2,380               | -                    | -                                  | -                                | (2,380)                                           |                          | (2,380)               |
| <b>Total Governmental Activities</b>                        | <b>\$ 4,338,781</b> | <b>\$ 877,956</b>    | <b>\$ 450,544</b>                  | <b>\$ -</b>                      | <b>\$ (3,010,281)</b>                             |                          | <b>\$ (3,010,281)</b> |
| <b>Business-Type Activities:</b>                            |                     |                      |                                    |                                  |                                                   |                          |                       |
| Electric, Water and Storm Sewer                             | \$ 4,593,157        | \$ 5,709,448         | \$ -                               | \$ -                             |                                                   | \$ 1,116,291             | \$ 1,116,291          |
| <b>Total Business-Type Activities</b>                       | <b>\$ 4,593,157</b> | <b>\$ 5,709,448</b>  | <b>\$ -</b>                        | <b>\$ -</b>                      |                                                   | <b>\$ 1,116,291</b>      | <b>\$ 1,116,291</b>   |
| <b>Total Primary Government</b>                             | <b>\$ 8,931,938</b> | <b>\$ 6,587,404</b>  | <b>\$ 450,544</b>                  | <b>\$ -</b>                      | <b>\$ (3,010,281)</b>                             | <b>\$ 1,116,291</b>      | <b>\$ (1,893,990)</b> |
| <b>General Revenues:</b>                                    |                     |                      |                                    |                                  |                                                   |                          |                       |
| Taxes:                                                      |                     |                      |                                    |                                  |                                                   |                          |                       |
| Property Taxes, Levied for General Purposes (net)           |                     |                      |                                    |                                  | \$ 568,586                                        | \$ -                     | \$ 568,586            |
| Act 511 Taxes                                               |                     |                      |                                    |                                  | 558,634                                           | -                        | 558,634               |
| Sales Tax                                                   |                     |                      |                                    |                                  | 202,008                                           | -                        | 202,008               |
| Cable Franchise Fees                                        |                     |                      |                                    |                                  | 57,554                                            | -                        | 57,554                |
| PURTA/Alcohol Beverage Tax/Payment in Lieu of Taxes         |                     |                      |                                    |                                  | 9,727                                             | -                        | 9,727                 |
| Investment Earnings                                         |                     |                      |                                    |                                  | 132,417                                           | 37,703                   | 170,120               |
| Leases and Rents                                            |                     |                      |                                    |                                  | 75,632                                            | -                        | 75,632                |
| Sale of Fixed Assets                                        |                     |                      |                                    |                                  | 5,250                                             | -                        | 5,250                 |
| Pension Gain - GASB 68                                      |                     |                      |                                    |                                  | -                                                 | 11,991                   | 11,991                |
| Refund of Prior Year Expense / Reimbursements               |                     |                      |                                    |                                  | 81,979                                            | -                        | 81,979                |
| Miscellaneous                                               |                     |                      |                                    |                                  | 843                                               | 21,806                   | 22,649                |
| Transfers Between Governmental and Business-Type Activities |                     |                      |                                    |                                  | 1,274,647                                         | (1,274,647)              | -                     |
| <b>Total General Revenues</b>                               |                     |                      |                                    |                                  | <b>\$ 2,967,277</b>                               | <b>\$ (1,203,147)</b>    | <b>\$ 1,764,130</b>   |
| <b>Change in Net Position</b>                               |                     |                      |                                    |                                  | <b>\$ (43,004)</b>                                | <b>\$ (86,856)</b>       | <b>\$ (129,860)</b>   |
| Net Position — January 1, 2023                              |                     |                      |                                    |                                  | 1,168,725                                         | 1,842,807                | 3,011,532             |
| Prior period adjustment                                     |                     |                      |                                    |                                  | 652,745                                           | (652,725)                | 20                    |
| <b>Net Position — December 31, 2023</b>                     |                     |                      |                                    |                                  | <b>\$ 1,778,466</b>                               | <b>\$ 1,103,226</b>      | <b>\$ 2,881,692</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

**EXHIBIT C**

|                                                                                 | <b><u>GENERAL<br/>FUND</u></b> | <b><u>CAPITAL RESERVE<br/>FUND</u></b> | <b><u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u></b> | <b><u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u></b> |
|---------------------------------------------------------------------------------|--------------------------------|----------------------------------------|----------------------------------------------------|------------------------------------------------|
| <b><u>ASSETS</u></b>                                                            |                                |                                        |                                                    |                                                |
| Cash and Cash Equivalents                                                       | \$ 564,702                     | \$ 4,155,087                           | \$ 46,855                                          | \$ 4,766,644                                   |
| Taxes Receivable (Net)                                                          | 878,015                        | -                                      | -                                                  | 878,015                                        |
| Trash Receivable (Net)                                                          | 63,223                         | -                                      | -                                                  | 63,223                                         |
| Other Accounts Receivable                                                       | 17,139                         | -                                      | -                                                  | 17,139                                         |
| <b>TOTAL ASSETS</b>                                                             | <b><u>\$ 1,523,079</u></b>     | <b><u>\$ 4,155,087</u></b>             | <b><u>\$ 46,855</u></b>                            | <b><u>\$ 5,725,021</u></b>                     |
| <br><b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b> |                                |                                        |                                                    |                                                |
| <b><u>LIABILITIES</u></b>                                                       |                                |                                        |                                                    |                                                |
| Accounts Payable                                                                | \$ 172,641                     | \$ -                                   | \$ 30,570                                          | \$ 203,211                                     |
| Accrued Salaries Payable                                                        | 42,065                         | -                                      | -                                                  | 42,065                                         |
| Payroll Deductions and Withholdings                                             | 8,415                          | -                                      | -                                                  | 8,415                                          |
| Due To Other Funds                                                              | -                              | 3,480,612                              | -                                                  | 3,480,612                                      |
| Other Current Liabilities                                                       | 15,659                         | -                                      | -                                                  | 15,659                                         |
| <b>TOTAL LIABILITIES</b>                                                        | <b><u>\$ 238,780</u></b>       | <b><u>\$ 3,480,612</u></b>             | <b><u>\$ 30,570</u></b>                            | <b><u>\$ 3,749,962</u></b>                     |
| <br><b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                 |                                |                                        |                                                    |                                                |
| Delinquent Real Estate Taxes                                                    | \$ 781,883                     | \$ -                                   | \$ -                                               | \$ 781,883                                     |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                      | <b><u>\$ 781,883</u></b>       | <b><u>\$ -</u></b>                     | <b><u>\$ -</u></b>                                 | <b><u>\$ 781,883</u></b>                       |
| <br><b><u>FUND BALANCES</u></b>                                                 |                                |                                        |                                                    |                                                |
| Restricted:                                                                     |                                |                                        |                                                    |                                                |
| Liquid Fuels Fund                                                               | \$ -                           | \$ -                                   | \$ 2,389                                           | \$ 2,389                                       |
| Assigned:                                                                       |                                |                                        |                                                    |                                                |
| Recreation Fund                                                                 | -                              | -                                      | 13,896                                             | 13,896                                         |
| Capital Reserve Fund                                                            | -                              | 674,475                                | -                                                  | 674,475                                        |
| Unassigned                                                                      | 502,416                        | -                                      | -                                                  | 502,416                                        |
| <b>TOTAL FUND BALANCES</b>                                                      | <b><u>\$ 502,416</u></b>       | <b><u>\$ 674,475</u></b>               | <b><u>\$ 16,285</u></b>                            | <b><u>\$ 1,193,176</u></b>                     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>  | <b><u>\$ 1,523,079</u></b>     | <b><u>\$ 4,155,087</u></b>             | <b><u>\$ 46,855</u></b>                            | <b><u>\$ 5,725,021</u></b>                     |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

**Total Fund Balances - Governmental Funds** **\$ 1,193,176**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from amounts reported for governmental funds on the balance sheet (Exhibit C) because:

Property taxes receivable in the statement of net position, which will not be available soon enough to pay for the current period's expenditures (i.e., within 90 days of year-end), are deferred and not recognized as revenue in governmental funds. 781,883

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

|                                                    |           |
|----------------------------------------------------|-----------|
| Deferred outflows of resources related to pensions | 1,026,365 |
| Deferred outflows of resources related to OPEB     | 12,566    |
| Deferred inflows of resources related to pensions  | (631,388) |
| Deferred inflows of resources related to OPEB      | (102,286) |

Long term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds.

Long-term liabilities at year end consist of:

|                               |         |           |
|-------------------------------|---------|-----------|
| Net pension liability (asset) | 396,238 |           |
| Net OPEB liability            | 89,213  |           |
| Compensated absences          | 16,399  | (501,850) |

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ 1,778,466**

**BOROUGH OF TARENTUM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                          | GENERAL FUND          | CAPITAL RESERVE FUND | NON-MAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|----------------------------------------------------------|-----------------------|----------------------|------------------------------|--------------------------|
| <b><u>REVENUES</u></b>                                   |                       |                      |                              |                          |
| Taxes                                                    | \$ 1,298,012          | \$ -                 | \$ -                         | \$ 1,298,012             |
| Licenses and Permits                                     | 63,272                | -                    | -                            | 63,272                   |
| Fines and Forfeitures                                    | 14,352                | -                    | -                            | 14,352                   |
| Interest and Rents                                       | 77,100                | 129,761              | 1,188                        | 208,049                  |
| Intergovernmental                                        | 514,097               | -                    | 133,585                      | 647,682                  |
| Charges for Services                                     | 638,833               | -                    | 3,221                        | 642,054                  |
| Donations                                                | 13,896                | -                    | 12,980                       | 26,876                   |
| Miscellaneous                                            | 843                   | -                    | 1,546                        | 2,389                    |
| <b>Total Revenue</b>                                     | <b>\$ 2,620,405</b>   | <b>\$ 129,761</b>    | <b>\$ 152,520</b>            | <b>\$ 2,902,686</b>      |
| <b><u>EXPENDITURES</u></b>                               |                       |                      |                              |                          |
| General Government                                       | \$ 206,322            | \$ -                 | \$ -                         | \$ 206,322               |
| Public Safety                                            | 1,938,703             | -                    | -                            | 1,938,703                |
| Public Works                                             | 1,430,622             | 278,872              | 253,638                      | 1,963,132                |
| Culture and Recreation                                   | 58,988                | -                    | 26,704                       | 85,692                   |
| Community Development                                    | 25,486                | -                    | -                            | 25,486                   |
| Employee Benefits and Insurance                          | 130,841               | -                    | -                            | 130,841                  |
| Miscellaneous                                            | 793                   | -                    | -                            | 793                      |
| <b>Total Expenditures</b>                                | <b>\$ 3,791,755</b>   | <b>\$ 278,872</b>    | <b>\$ 280,342</b>            | <b>\$ 4,350,969</b>      |
| <b>Excess ( Deficiency) of Revenue over Expenditures</b> | <b>\$ (1,171,350)</b> | <b>\$ (149,111)</b>  | <b>\$ (127,822)</b>          | <b>\$ (1,448,283)</b>    |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>             |                       |                      |                              |                          |
| Sale of Township Property                                | \$ 5,250              | \$ -                 | \$ -                         | \$ 5,250                 |
| Insurance Reimbursements for Fixed/Current Assets        | 76,631                | -                    | -                            | 76,631                   |
| Operating Transfers In                                   | 1,450,676             | 278,872              | 9,000                        | 1,738,548                |
| Operating Transfers Out                                  | (463,801)             | -                    | (100)                        | (463,901)                |
| Refund of Prior Year Expense                             | 5,345                 | -                    | -                            | 5,345                    |
| Refund of Prior Year Revenue                             | (1,589)               | -                    | -                            | (1,589)                  |
| <b>Total Other Financing Sources (Uses)</b>              | <b>\$ 1,072,512</b>   | <b>\$ 278,872</b>    | <b>\$ 8,900</b>              | <b>\$ 1,360,284</b>      |
| <b>NET CHANGE IN FUND BALANCES</b>                       | <b>\$ (98,838)</b>    | <b>\$ 129,761</b>    | <b>\$ (118,922)</b>          | <b>\$ (87,999)</b>       |
| FUND BALANCE - JANUARY 1, 2023                           | -                     | 544,734              | 83,696                       | 628,430                  |
| Prior Period Adjustment                                  | 601,254               | (20)                 | 51,511                       | 652,745                  |
| <b>FUND BALANCE - DECEMBER 31, 2023</b>                  | <b>\$ 502,416</b>     | <b>\$ 674,475</b>    | <b>\$ 16,285</b>             | <b>\$ 1,193,176</b>      |

The accompanying notes are an integral part of these financial statements



**BOROUGH OF TARENTUM**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                               |                    |
|---------------------------------------------------------------|--------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b> | <b>\$ (87,999)</b> |
|---------------------------------------------------------------|--------------------|

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

|                                                                                                                                                                                                             |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. | 8,270 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                                                                                                                                                                                                                          |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Because certain property taxes will not be collected for several months after the Borough's year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources decreased during the calendar year 2023. | 31,219 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                                                                                                                                                                                                                                            |                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| In the statement of activities, certain operating expenses - compensated absences and net OPEB liabilities- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid). This is the amount by which compensated absences and OPEB earned exceeded the amount paid. | <div style="border-top: 1px solid black; margin-top: 5px;">5,506</div> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|

|                                                          |                           |
|----------------------------------------------------------|---------------------------|
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <b><u>\$ (43,004)</u></b> |
|----------------------------------------------------------|---------------------------|

**BOROUGH OF TARENTUM**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                               | Budgeted Amounts      |                       | Actual                | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------------------------|
|                                                               | Original              | Final                 | (Budgetary Basis)     |                                                         |
| <b>REVENUES</b>                                               |                       |                       |                       |                                                         |
| Taxes                                                         | \$ 1,176,510          | \$ 1,176,510          | \$ 1,298,012          | \$ 121,502                                              |
| Licenses and Permits                                          | 73,392                | 73,392                | 63,272                | (10,120)                                                |
| Fines and Forfeitures                                         | 19,318                | 19,318                | 14,352                | (4,966)                                                 |
| Interest and Rents                                            | 69,534                | 69,534                | 77,100                | 7,566                                                   |
| Intergovernmental                                             | 233,502               | 233,502               | 514,097               | 280,595                                                 |
| Charges for Services                                          | 603,737               | 603,737               | 638,833               | 35,096                                                  |
| Donations                                                     | -                     | -                     | 13,896                | 13,896                                                  |
| Miscellaneous                                                 | 610                   | 610                   | 843                   | 233                                                     |
| <b>Total Revenues</b>                                         | <b>\$ 2,176,603</b>   | <b>\$ 2,176,603</b>   | <b>\$ 2,620,405</b>   | <b>\$ 443,802</b>                                       |
| <b>EXPENDITURES</b>                                           |                       |                       |                       |                                                         |
| General Government                                            | \$ 207,784            | \$ 207,784            | \$ 206,322            | \$ 1,462                                                |
| Public Safety                                                 | 1,875,474             | 1,875,474             | 1,938,703             | (63,229)                                                |
| Public Works                                                  | 1,294,838             | 1,294,838             | 1,430,622             | (135,784)                                               |
| Culture and Recreation                                        | 39,798                | 39,798                | 58,988                | (19,190)                                                |
| Community Development                                         | 101,000               | 101,000               | 25,486                | 75,514                                                  |
| Debt Service                                                  | 154,741               | 154,741               | -                     | 154,741                                                 |
| Employee Benefits and Insurance                               | 61,978                | 61,978                | 130,841               | (68,863)                                                |
| Miscellaneous                                                 | 100                   | 100                   | 793                   | (693)                                                   |
| <b>Total Expenditures</b>                                     | <b>\$ 3,735,713</b>   | <b>\$ 3,735,713</b>   | <b>\$ 3,791,755</b>   | <b>\$ (56,042)</b>                                      |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (1,559,110)</b> | <b>\$ (1,559,110)</b> | <b>\$ (1,171,350)</b> | <b>\$ 387,760</b>                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                       |                       |                       |                                                         |
| Sale of Fixed Assets                                          | \$ -                  | \$ -                  | \$ 5,250              | \$ 5,250                                                |
| Insurance Reimbursements for Fixed/Current Assets             | -                     | -                     | 76,631                | 76,631                                                  |
| Operating Transfers In                                        | 1,567,100             | 1,567,100             | 1,450,676             | (116,424)                                               |
| Operating Transfers Out                                       | -                     | -                     | (463,801)             | (463,801)                                               |
| Refund of Prior Year Expense                                  | -                     | -                     | 5,345                 | 5,345                                                   |
| Refund of Prior Year Revenue                                  | (5,646)               | (5,646)               | (1,589)               | 4,057                                                   |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 1,561,454</b>   | <b>\$ 1,561,454</b>   | <b>\$ 1,072,512</b>   | <b>\$ (488,942)</b>                                     |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 2,344</b>       | <b>\$ 2,344</b>       | <b>\$ (98,838)</b>    | <b>\$ (101,182)</b>                                     |
| FUND BALANCE - JANUARY 1, 2023                                | -                     | -                     | -                     | -                                                       |
| Prior Period Adjustment                                       | -                     | -                     | 601,254               | 601,254                                                 |
| <b>FUND BALANCE - DECEMBER 31, 2023</b>                       | <b>\$ 2,344</b>       | <b>\$ 2,344</b>       | <b>\$ 502,416</b>     | <b>\$ 500,072</b>                                       |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**STATEMENT OF PROPRIETARY NET POSITION**  
**DECEMBER 31, 2023**

|                                                                               | <b>ELECTRIC<br/>FUND</b> | <b>WATER<br/>FUND</b> | <b>(NON-MAJOR)<br/>STORM SEWER<br/>FUND</b> | <b>TOTAL</b>        |
|-------------------------------------------------------------------------------|--------------------------|-----------------------|---------------------------------------------|---------------------|
| <b><u>ASSETS</u></b>                                                          |                          |                       |                                             |                     |
| <b>Current Assets:</b>                                                        |                          |                       |                                             |                     |
| Cash and Cash Equivalents                                                     | \$ -                     | \$ 115,470            | \$ 499,371                                  | \$ 614,841          |
| Due from Other Funds                                                          | 1,428,695                | 2,051,917             | -                                           | 3,480,612           |
| Utilities Receivable                                                          | 391,165                  | 113,344               | 13,748                                      | 518,257             |
| Prepaid Expense                                                               | 93,471                   | -                     | -                                           | 93,471              |
| Prepaid Security Deposit                                                      | 600,000                  | -                     | -                                           | 600,000             |
| Inventory                                                                     | 21,062                   | -                     | -                                           | 21,062              |
| <b>Total Current Assets</b>                                                   | <b>\$ 2,534,393</b>      | <b>\$ 2,280,731</b>   | <b>\$ 513,119</b>                           | <b>\$ 5,328,243</b> |
| <b>Noncurrent Assets:</b>                                                     |                          |                       |                                             |                     |
| Buildings & Improvements                                                      | \$ 43,772                | \$ 1,054,406          | \$ -                                        | \$ 1,098,178        |
| Improvements - Non-building                                                   | -                        | 4,672,749             | -                                           | 4,672,749           |
| Machinery & Equipment                                                         | 311,755                  | 1,468,584             | -                                           | 1,780,339           |
| Electric System and Improvements                                              | 3,006,530                | -                     | -                                           | 3,006,530           |
| Accumulated Depreciation                                                      | (3,014,396)              | (4,945,775)           | -                                           | (7,960,171)         |
| <b>Total Noncurrent Assets</b>                                                | <b>\$ 347,661</b>        | <b>\$ 2,249,964</b>   | <b>\$ -</b>                                 | <b>\$ 2,597,625</b> |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 2,882,054</b>      | <b>\$ 4,530,695</b>   | <b>\$ 513,119</b>                           | <b>\$ 7,925,868</b> |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>                                  |                          |                       |                                             |                     |
| Deferred Interest on Refunding                                                | \$ 132,936               | \$ 207,922            | \$ -                                        | \$ 340,858          |
| Deferred Outflows of Resources - Pension                                      | 25,639                   | 176,916               | -                                           | 202,555             |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                                   | <b>\$ 158,575</b>        | <b>\$ 384,838</b>     | <b>\$ -</b>                                 | <b>\$ 543,413</b>   |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS<br/>OF RESOURCES</b>                    | <b>\$ 3,040,629</b>      | <b>\$ 4,915,533</b>   | <b>\$ 513,119</b>                           | <b>\$ 8,469,281</b> |
| <b><u>LIABILITIES</u></b>                                                     |                          |                       |                                             |                     |
| <b>Current Liabilities:</b>                                                   |                          |                       |                                             |                     |
| Accrued Interest Payable                                                      | \$ 21,667                | \$ 33,889             | \$ -                                        | \$ 55,556           |
| Accrued Salaries Payable                                                      | 460                      | 13,372                | -                                           | 13,832              |
| Current Portion Long-Term Debt                                                | 84,000                   | 126,000               | -                                           | 210,000             |
| Other Current Liabilities                                                     | 65,450                   | 41,820                | -                                           | 107,270             |
| <b>Total Current Liabilities</b>                                              | <b>\$ 171,577</b>        | <b>\$ 215,081</b>     | <b>\$ -</b>                                 | <b>\$ 386,658</b>   |
| <b>Noncurrent Liabilities:</b>                                                |                          |                       |                                             |                     |
| Bonds Payable - Long Term Portion                                             | \$ 2,734,457             | \$ 4,101,685          | \$ -                                        | \$ 6,836,142        |
| Accrued Compensated Absences                                                  | 1,284                    | 1,284                 | -                                           | 2,568               |
| Net pension Liability                                                         | 17,960                   | 122,727               | -                                           | 140,687             |
| <b>Total Noncurrent Liabilities</b>                                           | <b>\$ 2,753,701</b>      | <b>\$ 4,225,696</b>   | <b>\$ -</b>                                 | <b>\$ 6,979,397</b> |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 2,925,278</b>      | <b>\$ 4,440,777</b>   | <b>\$ -</b>                                 | <b>\$ 7,366,055</b> |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                   |                          |                       |                                             |                     |
| Deferred Inflows of Resources - Pension                                       | \$ -                     | \$ -                  | \$ -                                        | \$ -                |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ -</b>              | <b>\$ -</b>           | <b>\$ -</b>                                 | <b>\$ -</b>         |
| <b><u>NET POSITION</u></b>                                                    |                          |                       |                                             |                     |
| Investment in Capital Assets (Deficit)                                        | \$ (2,337,860)           | \$ (1,769,799)        | \$ -                                        | \$ (4,107,659)      |
| Unrestricted                                                                  | 2,453,211                | 2,244,555             | 513,119                                     | 5,210,885           |
| <b>TOTAL NET POSITION</b>                                                     | <b>\$ 115,351</b>        | <b>\$ 474,756</b>     | <b>\$ 513,119</b>                           | <b>\$ 1,103,226</b> |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND NET POSITION</b> | <b>\$ 3,040,629</b>      | <b>\$ 4,915,533</b>   | <b>\$ 513,119</b>                           | <b>\$ 8,469,281</b> |

**BOROUGH OF TARENTUM**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                      | <b>ELECTRIC<br/>FUND</b> | <b>WATER<br/>FUND</b> | <b>(NON-MAJOR)<br/>STORM SEWER<br/>FUND</b> | <b>TOTAL</b>          |
|------------------------------------------------------|--------------------------|-----------------------|---------------------------------------------|-----------------------|
| <b><u>OPERATING REVENUES:</u></b>                    |                          |                       |                                             |                       |
| Charges for Services                                 | \$ 4,039,018             | \$ 1,540,555          | \$ 129,875                                  | \$ 5,709,448          |
| Rents                                                | 18,770                   | -                     | -                                           | 18,770                |
| <b>Total Operating Revenues</b>                      | <b>\$ 4,057,788</b>      | <b>\$ 1,540,555</b>   | <b>\$ 129,875</b>                           | <b>\$ 5,728,218</b>   |
| <b><u>OPERATING EXPENSES:</u></b>                    |                          |                       |                                             |                       |
| General Government                                   | \$ 194,626               | \$ 183,498            | \$ -                                        | \$ 378,124            |
| Public Works - Highways & Streets                    | 181,597                  | 32,966                | 311,914                                     | 526,477               |
| Public Works - Electric System                       | 2,040,908                | -                     | -                                           | 2,040,908             |
| Public Works - Water System                          | -                        | 1,053,750             | -                                           | 1,053,750             |
| Depreciation Expense                                 | 83,862                   | 172,563               | -                                           | 256,425               |
| Amortization Expense                                 | 8,520                    | 13,332                | -                                           | 21,852                |
| Insurance/Miscellaneous                              | 55,653                   | 79,471                | -                                           | 135,124               |
| <b>Total Operating Expenses</b>                      | <b>\$ 2,565,166</b>      | <b>\$ 1,535,580</b>   | <b>\$ 311,914</b>                           | <b>\$ 4,412,660</b>   |
| <b>TOTAL OPERATING INCOME &lt;LOSS&gt;</b>           | <b>\$ 1,492,622</b>      | <b>\$ 4,975</b>       | <b>\$ (182,039)</b>                         | <b>\$ 1,315,558</b>   |
| <b><u>NON-OPERATING REVENUE &lt;EXPENSE&gt;:</u></b> |                          |                       |                                             |                       |
| Interest Income                                      | \$ -                     | \$ 759                | \$ 18,174                                   | \$ 18,933             |
| Pension Gain                                         | 10,211                   | 1,780                 | -                                           | 11,991                |
| Interest Expense                                     | (68,663)                 | (111,834)             | -                                           | (180,497)             |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b>   | <b>\$ (58,452)</b>       | <b>\$ (109,295)</b>   | <b>\$ 18,174</b>                            | <b>\$ (149,573)</b>   |
| <b><u>OTHER FINANCING SOURCES &lt;USES&gt;:</u></b>  |                          |                       |                                             |                       |
| Operating Transfers In                               | \$ 657                   | \$ 37,478             | \$ 147,127                                  | \$ 185,262            |
| Operating Transfers (Out)                            | (1,450,373)              | (8,529)               | (1,007)                                     | (1,459,909)           |
| Reimbursement - Insurance/Miscellaneous              | 12,475                   | 9,331                 | -                                           | 21,806                |
| <b>TOTAL OTHER FINANCING SOURCES &lt;USES&gt;</b>    | <b>\$ (1,437,241)</b>    | <b>\$ 38,280</b>      | <b>\$ 146,120</b>                           | <b>\$ (1,252,841)</b> |
| <b>CHANGES IN NET POSITION</b>                       | <b>\$ (3,071)</b>        | <b>\$ (66,040)</b>    | <b>\$ (17,745)</b>                          | <b>\$ (86,856)</b>    |
| NET POSITION - JANUARY 1, 2023                       | 1,677,883                | 75,097                | 89,827                                      | 1,842,807             |
| Prior Period Adjustment                              | (1,559,461)              | 465,699               | 441,037                                     | (652,725)             |
| <b>NET POSITION - DECEMBER 31, 2023</b>              | <b>\$ 115,351</b>        | <b>\$ 474,756</b>     | <b>\$ 513,119</b>                           | <b>\$ 1,103,226</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                                                                                 | <b>ELECTRIC<br/>FUND</b> | <b>WATER<br/>FUND</b> | <b>STORM<br/>SEWER FUND</b> | <b>TOTAL</b>        |
|-----------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|-----------------------------|---------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>                                                             |                          |                       |                             |                     |
| Cash received from user charges                                                                                 | \$ 4,039,018             | \$ 1,540,555          | \$ 129,875                  | \$ 5,709,448        |
| Cash received from miscellaneous sources                                                                        | 18,770                   | -                     | -                           | 18,770              |
| Cash paid to employees for wages and benefits                                                                   | (89,182)                 | (653,027)             | -                           | (742,209)           |
| Cash paid to vendors for goods and services                                                                     | (3,802,606)              | (638,928)             | (166,035)                   | (4,607,569)         |
| <b>Net cash provided (used) by operating activities</b>                                                         | <b>\$ 166,000</b>        | <b>\$ 248,600</b>     | <b>\$ (36,160)</b>          | <b>\$ 378,440</b>   |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCIAL ACTIVITIES:</u></b>                                     |                          |                       |                             |                     |
| Debt principal and interest payments                                                                            | \$ (166,000)             | \$ (249,000)          | \$ -                        | \$ (415,000)        |
| <b>Net cash provided (used) by capital and related financing activities</b>                                     | <b>\$ (166,000)</b>      | <b>\$ (249,000)</b>   | <b>\$ -</b>                 | <b>\$ (415,000)</b> |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                                             |                          |                       |                             |                     |
| Interest income                                                                                                 | \$ -                     | \$ 759                | \$ 18,173                   | \$ 18,932           |
| <b>Net cash provided (used) by investing activities</b>                                                         | <b>\$ -</b>              | <b>\$ 759</b>         | <b>\$ 18,173</b>            | <b>\$ 18,932</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                     | <b>-</b>                 | <b>359</b>            | <b>(17,987)</b>             | <b>(17,628)</b>     |
| <b>Cash and cash equivalents - January 1, 2023</b>                                                              | <b>-</b>                 | <b>115,111</b>        | <b>517,358</b>              | <b>632,469</b>      |
| <b>Cash and cash equivalents - December 31, 2023</b>                                                            | <b>\$ -</b>              | <b>\$ 115,470</b>     | <b>\$ 499,371</b>           | <b>\$ 614,841</b>   |
| <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED(USED) BY OPERATING ACTIVITIES:</u></b> |                          |                       |                             |                     |
| Operating Income (Loss)                                                                                         | \$ 1,492,622             | \$ 4,975              | \$ (182,039)                | \$ 1,315,558        |
| Adjustments to reconcile excess revenues over expenditures<br>provided by (used in) operating activities:       |                          |                       |                             |                     |
| Amortization                                                                                                    | 8,520                    | 13,332                | -                           | 21,852              |
| Depreciation                                                                                                    | 83,862                   | 172,563               | -                           | 256,425             |
| Changes in assets and liabilities:                                                                              |                          |                       |                             |                     |
| (Increase) decrease in utilities receivable                                                                     | 339                      | (8,256)               | (242)                       | (8,159)             |
| (Increase) decrease in prepaid expense                                                                          | (9,341)                  | -                     | -                           | (9,341)             |
| (Increase) decrease in due from fund                                                                            | (1,356,058)              | 3,069                 | 146,121                     | (1,206,868)         |
| Increase (decrease) in due to other fund                                                                        | -                        | 57,226                | -                           | 57,226              |
| Increase (decrease) in consumer deposits                                                                        | (54,650)                 | 350                   | -                           | (54,300)            |
| Increase (decrease) in compensated absences                                                                     | 633                      | 76                    | -                           | 709                 |
| Increase (decrease) in wages payable                                                                            | 73                       | 5,265                 | -                           | 5,338               |
| <b>Net cash provided (used) by operating activities</b>                                                         | <b>\$ 166,000</b>        | <b>\$ 248,600</b>     | <b>\$ (36,160)</b>          | <b>\$ 378,440</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2023**

|                                           | <b><u>POLICE<br/>PENSION<br/>FUND</u></b> | <b><u>DROP PENSION<br/>FUND</u></b> | <b><u>TOTAL</u></b>        |
|-------------------------------------------|-------------------------------------------|-------------------------------------|----------------------------|
| <b>ASSETS</b>                             |                                           |                                     |                            |
| Cash and Cash Equivalents                 | \$ -                                      | \$ 71,011                           | \$ 71,011                  |
| Investments:                              |                                           |                                     |                            |
| Mutual Funds/Fixed Income                 | 1,460,593                                 | -                                   | 1,460,593                  |
| Equity Securities                         | 2,930,501                                 | -                                   | 2,930,501                  |
| Accrued Interest                          | 6,813                                     | -                                   | 6,813                      |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 4,397,907</u></b>                | <b><u>\$ 71,011</u></b>             | <b><u>\$ 4,468,918</u></b> |
| <b>NET POSITION</b>                       |                                           |                                     |                            |
| Restricted for Pension Benefits           | \$ 4,397,907                              | \$ 71,011                           | \$ 4,468,918               |
| <b>TOTAL NET POSITION</b>                 | <b><u>\$ 4,397,907</u></b>                | <b><u>\$ 71,011</u></b>             | <b><u>\$ 4,468,918</u></b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b><u>\$ 4,397,907</u></b>                | <b><u>\$ 71,011</u></b>             | <b><u>\$ 4,468,918</u></b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                         | <b>POLICE<br/>PENSION<br/>FUND</b> | <b>DROP PENSION<br/>FUND</b> | <b>TOTAL</b>        |
|-----------------------------------------|------------------------------------|------------------------------|---------------------|
| <b>ADDITIONS</b>                        |                                    |                              |                     |
| Interest/Dividends                      | \$ 104,071                         | \$ 1,296                     | \$ 105,367          |
| Unrealized Gains/(Losses)               | 471,819                            | -                            | 471,819             |
| Employer Contributions                  | 133,405                            | 46,523                       | 179,928             |
| Brackenridge Borough Contribution       | 515,316                            | -                            | 515,316             |
| <b>TOTAL ADDITIONS</b>                  | <b>\$ 1,224,611</b>                | <b>\$ 47,819</b>             | <b>\$ 1,272,430</b> |
| <b>DEDUCTIONS</b>                       |                                    |                              |                     |
| Realized Losses                         | \$ 15,422                          | \$ -                         | \$ 15,422           |
| Benefit Payments                        | 89,831                             | -                            | 89,831              |
| Benefit Payments - Drop Pension Fund    | 46,523                             | -                            | 46,523              |
| Administrative Expenses                 | 25,361                             | -                            | 25,361              |
| <b>TOTAL DEDUCTIONS</b>                 | <b>\$ 177,137</b>                  | <b>\$ -</b>                  | <b>\$ 177,137</b>   |
| <b>CHANGES IN NET POSITION</b>          | <b>\$ 1,047,474</b>                | <b>\$ 47,819</b>             | <b>\$ 1,095,293</b> |
| NET POSITION - JANUARY 1, 2023          | 3,350,453                          | 23,192                       | 3,373,645           |
| Prior Period Adjustment                 | (20)                               | -                            | (20)                |
| <b>NET POSITION - DECEMBER 31, 2023</b> | <b>\$ 4,397,907</b>                | <b>\$ 71,011</b>             | <b>\$ 4,468,918</b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Borough of Tarentum was incorporated on March 7, 1842, under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Members of Borough Council are elected by the voting public. These Council members have complete authority over the operations and administration of the Borough's activities. The major functions of the Borough include public safety, maintenance of Borough infrastructure (roads), maintenance of parks and other recreational facilities for use by Borough residents, water and electric service, sanitation, and general administrative functions necessary to facilitate Borough resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Borough of Tarentum consists of all funds, departments, boards and agencies that are not legally separate from the Borough. Generally accepted accounting principles defines component units as legally separate entities that are included in the Borough's reporting entity because of the significance of their operating or financial relationships with the Borough. Based on the application of these criteria, the Borough of Tarentum has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the Borough as a whole. These statements include all of the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Borough that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. That is the same approach used in the preparation of the proprietary funds financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations (Exhibits D and F) with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for the Borough's business-type activities (electric and water fund operations) and for each function of the Borough's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Borough. General revenue consists mainly of taxes, cable franchise fees, unrestricted grants, and other miscellaneous receipts not earmarked for a specific function. The comparison of direct disbursements with program receipts identifies the extent to which the business-type activity or government function is self-financing or draws from the general receipts of the Borough.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Borough. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the Borough's most important funds and are determined based on percentages of assets, liabilities, revenues, and expenditures/expenses. For Tarentum Borough, the General Fund is always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column.



**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The financial statements of the Borough of Tarentum have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units with one exception. The Borough does not present the historical cost, accumulated depreciation, and depreciation expense for its governmental activities fixed assets in the statement of net position (Exhibit A) and statement of activities (Exhibit B). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant of the Borough's accounting policies are as follows:

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Business-type activities in the government-wide financial statements and proprietary fund financial statements are prepared using the accrual basis of accounting. Governmental activities in the government-wide financial statements and governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the source (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total net position. The statement of cash flows provides information about how the Borough finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

Revenue for business-type activities resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Borough, available means expected to be received within sixty days of fiscal year-end.

Revenue resulting from non-exchange transactions, in which the Borough receives value without directly giving equal value in return, includes property taxes, grants and contributions. Revenues from grants and contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be 'available' (as previously defined) before it can be recognized.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)**

The management of the Borough of Tarentum has determined that the revenues most susceptible to accrual at December 31, 2022 are **1)** delinquent real estate taxes earned by the Borough in December of 2022 **2)** deed transfer taxes and vehicle code violations earned by the Borough in December of 2022 **3)** certain taxpayer assessed Act 511 taxes, **4)** water, electric, trash, and EPA sewer fees billed to the Borough residents and collected in January 2022 for 2021 **5)** cable franchise fees earned during the year, and **6)** other miscellaneous revenues estimable and available to the Borough for 2022 but not as yet collected at December 31, 2022. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources.'

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2022 are those for which Council's intention was to expense these items as budgeted for in the 2022 official budget, and for which the Borough has incurred an obligation during 2022, but has not paid as of December 31, 2022.

**FUND ACCOUNTING**

The Borough uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Borough functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Borough's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUND:**

**GENERAL FUND** - Established under 'The Borough Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Borough. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, charges for services, transfers from the Borough's Electric Fund, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Borough and other miscellaneous operating expenses.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**NON-MAJOR GOVERNMENTAL FUNDS:**

**LIQUID FUELS FUND** (SPECIAL REVENUE) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Borough is responsible.

**RECREATION FUND** – (SPECIAL REVENUE) – Established to account for concession revenues and donations to be used for various culture and recreation expenses.

**CAPITAL RESERVE FUND** – (CAPITAL PROJECTS) – Established to account for transfers from the Electric Fund for various capital improvements related to the Borough.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the Borough (internal service funds). The Borough maintains the Electric Fund, the Water Fund and the Storm Sewer Fund as its proprietary funds. Based on the criteria for determining major funds as set forth in GASB Statement No. 34, the Borough's Electric Fund and Water Fund are considered major funds.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust fund. The Borough has one pension trust fund (police pension) and a related Deferred Retirement Option Plan ("DROP") pension fund that has been elected for one participant. The Borough does not maintain any other type of fiduciary fund.

**BUDGETS**

In December of 2022 the Borough of Tarentum adopted its 2023 annual budget for the General Fund totaling \$3,741,359, in accordance with the provisions of the Borough Code. The original and final budgetary amounts are reflected in these financial statements (Exhibit E). All annual appropriations of the general fund lapse at year-end.

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

- a. In accordance with the Borough Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Borough and made available for public inspection for a period of ten days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the ten days, Council makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS** (Continued)

- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Council.

**ESTIMATES**

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

**CASH AND CASH EQUIVALENTS**

For purposes of the accompanying financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

The customer receipts and vendor disbursements of the Electric Fund and Water Fund are processed through the operating bank account of the general fund. On Exhibit J (page 10 of the audit report), the 'statement of cash flows' for these funds primarily represents the cash flow activity on behalf of these funds that is processed through the General Fund bank statements. The due to/due from accounts are used as the offsetting accounts to balance the books between funds.

**INVESTMENTS**

Provisions of the Borough Code authorize the following investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Fiduciary fund type investments include mutual funds and equity securities.

**RECEIVABLES**

Water, Electric, Storm Sewer and Trash receivables are reflected at net realizable value as of December 31, 2022.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet. For the purposes of the government-wide statement of net position, governmental interfund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities, if any, are presented as off-setting internal balances on the statement of net position.

**CAPITAL ASSETS AND DEPRECIATION**

All capital assets of the Borough's business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The Borough does not maintain a specific dollar threshold for fixed asset capitalization. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets for business-type activities, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>           | <b><u>USEFUL<br/>LIFE</u></b> |
|----------------------------------|-------------------------------|
| Building & Building Improvements | 15-20 years                   |
| Machinery and Equipment          | 5-30 years                    |
| Vehicles                         | 3-5 years                     |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available spendable resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period. Under the modified accrual method of accounting, capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibits E and G). The Borough does not capitalize and depreciate the cost of its governmental activities fixed assets purchases in accordance with generally accepted accounting principles.

**COMPENSATED ABSENCES (Vacation)**

The Borough reports compensated absences in accordance with the provisions of generally accepted accounting standards. Unused vacation days for Borough employees are accrued at their respective hourly rates of pay per each collective bargaining agreement. The entire compensated absences liability of \$16,399 is shown as a long-term liability in the government-wide statement of net position. For governmental fund financial statements, compensated absences are recorded as expenditures when paid rather than accrued when earned.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources.

However, the non-current portion of compensated absences and retiree health benefit liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations, if any, that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The Borough's General Fund is typically used to liquidate long-term liability obligations.

The results of recognizing these long-term obligations as liabilities on the government-wide statement of net position and statement of activities, as opposed to recording these same obligations as an expenditure in the fund financial statements (Exhibit E) only when paid, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

**OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Borough of Tarentum, these revenues are water and electric usage charges and other miscellaneous revenues directly related to the operations of the Borough's Water and Electric Funds. Operating expenses are the necessary costs incurred to operate the Borough's sewer system. Non-operating revenues of the Boroughs Water and Electric Funds consist of investment earnings, sale of borough property, and insurance reimbursements for fixed assets. Non-operating expenses consist of interest expense related to the Borough's bond and lease obligations.

**UNEARNED REVENUE**

Unearned revenue arises when the Borough receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Borough has a legal claim to the resources, the unearned revenue liability is removed and revenue is recognized.

**LONG-TERM DEBT FINANCING COSTS**

Bond issue costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. During the 2023 calendar year, the Borough did not incur bond or other debt issuance costs.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Borough obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that are attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position represents the balance of funds in the Borough's Liquid Fuels Fund restricted under Act 655 of the Commonwealth of Pennsylvania.
- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Borough has three items that qualify for reporting in this category. They are deferred outflows related to the Borough's pension and OPEB plans and deferred interest on refunding of bonds, reported on the statement of net position (Exhibit A).

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Borough has three items that qualify for reporting in this category. They are delinquent real estate taxes reported on the governmental funds balance sheet (Exhibit C), and deferred inflows related to the Borough's pension and OPEB plans, reported on the statement of net position (Exhibit A).

**PENSIONS**

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position, and additions to/deductions from the pension plan's (the plan) fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment assets are reported at fair value. More information on pension activity is included in Note 11.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**OTHER POST-EMPLOYMENT BENEFITS**

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the OPEB plans (Plans), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. More information on other post-employment benefit activity is included in Note 12.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in spendable form (such as prepaid expenses and inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance represents the balance of funds in the Borough's Liquid Fuels Fund restricted under Act 655 of the Commonwealth of Pennsylvania.
- Committed fund balance – amount constrained to specific purposes by the Borough itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the Borough intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Assigned fund balance includes \$13,896 for various culture and recreation activities and \$674,475 for various capital improvements related to the Borough as listed in Exhibit C.
- Unassigned fund balance – amount that are available for any purpose.

The Borough of Tarentum establishes (and modifies and rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Council has given authority to the Borough Manager to assign fund balance.

When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Borough's general policy to spend the committed resources first, followed by assigned amounts and then unassigned amounts.



**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement were adopted for the Township's 2023 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Township's financial statements.

- **GASB issued Statement No. 94**, *'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'*.
- **GASB issued Statement No. 96**, *'Subscription-Based Information Technology Arrangements'*.
- **GASB issued Statement No 99**, *'Omnibus 2022'*. (except the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Township's December 31, 2024 financial statements).

**PENDING GASB PRONOUNCEMENTS**

- **GASB issued Statement No 100**, *'Accounting Changes and Error Correction'*. The provisions of this Statement are effective for the Township's December 31, 2024 financial statements.
- **GASB issued Statement No 101**, *'Compensated Absences'*. The provisions of this Statement are effective for the Township's December 31, 2024 financial statements.
- **GASB issued Statement No 102**, *'Certain Risk Disclosures'*. The provisions of this Statement are effective for the Township's December 31, 2025 financial statements.

The effects of implementing these Statements on the Township's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2023, the Borough of Tarentum had the following carrying values on its cash and cash equivalent accounts:

|                              | <b><u>Bank Balance</u></b> | <b>(Memo Only)<br/><u>Book Balance</u></b> |
|------------------------------|----------------------------|--------------------------------------------|
| General Fund                 | \$ 796,834                 | \$ 564,702                                 |
| Capital Reserve Fund         | 4,155,087                  | 4,155,087                                  |
| Non-Major Governmental Funds | 47,055                     | 46,855                                     |
| Proprietary Funds            | 614,841                    | 614,841                                    |
| Fiduciary Funds              | 71,011                     | 71,011                                     |
| <b>Total</b>                 | <b><u>\$ 5,684,828</u></b> | <b><u>\$ 5,452,496</u></b>                 |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk in addition to the requirements of the Borough Code. As of December 31, 2023, \$5,434,828 of the Borough's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Borough's name. In compliance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, First National Bank, the Borough's depository, secures these excess deposits by the pledge of securities as collateral to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Borough's investments as of December 31, 2023 is as follows:

|                           | <b><u>Fair Value</u></b>   | <b><u>No Stated<br/>Maturity</u></b> |
|---------------------------|----------------------------|--------------------------------------|
| <b>Fiduciary Funds:</b>   |                            |                                      |
| Mutual Funds/Fixed Income | \$ 1,460,593               | \$ 1,460,593                         |
| Equity Securities         | 2,930,501                  | 2,930,501                            |
|                           | <b><u>\$ 4,391,094</u></b> | <b><u>\$ 4,391,094</u></b>           |

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Borough's fiduciary fund investments, with the exception of equity securities, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Borough does not have a specific policy that would limit its investment choices to those with certain credit ratings.

**Interest Rate Risk:**

The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough has no formal investment policy, in addition to the requirements of the Borough Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. The Borough's credit rating for its corporate obligations is 'BBB-' at December 31, 2023.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued):**

**Concentration of Credit Risk:**

The Borough places no limit on the amount it may invest in any one issuer; however, the Borough routinely consults with its investment advisors to ensure proper diversification and risk management of its investments.

At December 31, 2023, the following are investments that represent five percent or more of the net position available for benefits:

|                                   | <b><u>Police<br/>Pension Plan</u></b> |
|-----------------------------------|---------------------------------------|
| Federal Hermes Govt. Obligation   | \$ 228,917                            |
| Baird Aggregate Bond Fund         | 358,730                               |
| Blackrock Core Bond Portfolio     | 350,181                               |
| Ishares Core S&P 500              | 1,668,362                             |
| Federal Hermes Int'l Equity Fund  | 232,963                               |
| Western Asset Core Plus Bond Fund | 227,270                               |
| Investments less than 5%          | 1,324,671                             |
|                                   | <b><u>\$ 4,391,094</u></b>            |

**Fair Value Measurements:**

The Borough of Tarentum's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting principles provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the Borough by level within the fair value hierarchy:

|                           | <b><u>Value<br/>at 12/31/2023</u></b> | <b><u>Fair Value Measurements</u></b> |                       |                       |
|---------------------------|---------------------------------------|---------------------------------------|-----------------------|-----------------------|
|                           |                                       | <b><u>Level 1</u></b>                 | <b><u>Level 2</u></b> | <b><u>Level 3</u></b> |
| Mutual Funds/Fixed Income | \$ 1,460,593                          | \$ 1,460,593                          | \$ -                  | \$ -                  |
| Equity Securities         | 2,930,501                             | 2,930,501                             | -                     | -                     |
|                           | <b><u>\$ 4,391,094</u></b>            | <b><u>\$ 4,391,094</u></b>            | <b><u>\$ -</u></b>    | <b><u>\$ -</u></b>    |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 - PROPERTY TAXES**

The Borough of Tarentum levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                          |                   |
|--------------------------|-------------------|
| March 1 – April 30, 2023 | (Discount period) |
| May 1 to May 31, 2023    | (Face period)     |
| After May 31, 2023       | (Penalty period)  |

The tax millage assessment for the 2023 calendar year is 5.48 mills on the assessed value of land and buildings, which represents \$5.48 of revenue for every \$1,000 of assessed value. Taxpayers are entitled to a 2% discount if taxes are paid by May 31st. Collections after June 30th are assessed a 10% penalty. Taxes unpaid as of December of the year following levy are collected by the local tax collector. As of December 31, 2023, \$86,860 of 2023 real estate taxes are unpaid which represents 15% of the total assessed property taxes for 2023.

Taxes receivable as shown in the government-wide statement of net position includes prior year property taxes of \$781,884. For purposes of the governmental fund financial statements, the above property taxes receivable, although measurable, does not meet the available criteria to finance current fiscal year operations. Accordingly, this amount is equally off set as a credit to deferred inflows of resources in the fund financial statements.

The effect of recognizing property tax revenue when taxes are levied, as opposed to when they are received using the 'measurable and available' criteria under the modified accrual basis of accounting, is reflected in the required reconciliations of fund balance to net position (Exhibit D) and the changes in fund balances to the changes in net position (Exhibit F).

Taxes receivable are comprised of the following at December 31, 2023:

|                        |                          |
|------------------------|--------------------------|
| Delinquent real estate | \$ 781,884               |
| Deed transfer taxes    | 3,430                    |
| Local service tax      | 12,608                   |
| RAD tax                | 14,977                   |
| Earned income tax      | 65,116                   |
|                        | <b><u>\$ 878,015</u></b> |

**NOTE 4 – OTHER RECEIVABLES**

Other receivables and utilities receivable, as reflected in Exhibits A and C, consist of the following at December 31, 2023:

|                       | <b><u>Governmental</u></b> | <b><u>Business-Type</u></b> |
|-----------------------|----------------------------|-----------------------------|
| Cable Franchise Fees  | \$ 13,821                  | \$ -                        |
| Garbage Fees          | 63,223                     | -                           |
| Electric Service Fees | -                          | 391,165                     |
| Water Service Fees    | -                          | 113,344                     |
| Storm Sewer Fees      | -                          | 13,748                      |
| Miscellaneous         | 3,318                      | -                           |
|                       | <b><u>\$ 80,362</u></b>    | <b><u>\$ 518,257</u></b>    |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS**

There are no amounts 'due from other governmental units' as of the audit year-end, December 31, 2023.

**NOTE 6 – INTER-FUND OBLIGATIONS AND TRANSFERS**

Inter-fund receivables and payables as reflected on the governmental funds balance sheet (Exhibit C) and proprietary fund statement of net position (Exhibit H) are comprised of the following:

|                      | <b><u>Due From</u></b>     | <b><u>Due To</u></b>       |
|----------------------|----------------------------|----------------------------|
| Capital Reserve Fund | \$ -                       | \$ 3,480,612               |
| Proprietary Funds    | 3,480,612                  | -                          |
|                      | <b><u>\$ 3,480,612</u></b> | <b><u>\$ 3,480,612</u></b> |

During the year ended December 31, 2023, the General Fund transferred \$9,000 to the Recreation Fund as reimbursement for expenses incurred by the Recreation Fund. The General Fund transferred \$278,872 to the Capital Reserve Fund for a road paving project. The General Fund transferred \$110,766 to the Storm Sewer Fund for operating costs. In addition, the Electric Fund transferred \$1,450,373 to the General Fund for operating costs.

**NOTE 7 - CAPITAL ASSETS**

A summary of the business-type fixed asset activity for the 2023 calendar year was as follows:

|                                  | <b><u>Balance</u></b><br><b><u>1/1/2023</u></b> | <b><u>Additions</u></b>    | <b><u>Deletions</u></b> | <b><u>Balance</u></b><br><b><u>12/31/2022</u></b> |
|----------------------------------|-------------------------------------------------|----------------------------|-------------------------|---------------------------------------------------|
| <b>Business-Type Activities</b>  |                                                 |                            |                         |                                                   |
| Buildings and Improvements       | \$ 1,098,178                                    | \$ -                       | \$ -                    | \$ 1,098,178                                      |
| Improvements - Non-building      | 4,672,749                                       | -                          | -                       | 4,672,749                                         |
| Machinery and Equipment          | 1,780,339                                       | -                          | -                       | 1,780,339                                         |
| Electric System and Improvements | 3,006,530                                       | -                          | -                       | 3,006,530                                         |
|                                  | <b><u>\$ 10,557,796</u></b>                     | <b><u>\$ -</u></b>         | <b><u>\$ -</u></b>      | <b><u>\$ 10,557,796</u></b>                       |
| Less: Accumulated Depreciation   | <u>(7,703,745)</u>                              | <u>(256,426)</u>           | <u>-</u>                | <u>(7,960,171)</u>                                |
| <b>Business-Type Activities</b>  |                                                 |                            |                         |                                                   |
| <b>Capital Assets, Net</b>       | <b><u>\$ 2,854,051</u></b>                      | <b><u>\$ (256,426)</u></b> | <b><u>\$ -</u></b>      | <b><u>\$ 2,597,625</u></b>                        |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM DEBT OBLIGATIONS - PROPRIETARY FUNDS**

**BONDS PAYABLE – SERIES OF 2022**

In January of 2022, the Borough of Tarentum issued General Obligation Bonds – Series of 2022 in the amount of \$7,505,000 to 1) currently refund General Obligation Note, Series of 2011 and 2016, 2) finance certain capital projects of the Borough, and 3) pay all costs incurred with the issuance of the bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on March 1 and September 1 at rates ranging between 0.70% and 2.75%. The bonds provide for early redemption features on or after March 1, 2027. The Bonds are scheduled to mature on September 1, 2045 and are secured by the full faith and taxing power of the Borough. Management has determined that the Water and Electric Funds are responsible for 60% and 40% of the debt respectively.

**DEFAULT PROVISIONS ON BONDS**

The bonds are general obligations of the Borough. The bonds are secured by the full faith, credit, and taxing power of the Borough. Such pledge is specifically enforceable but is subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally. The Pennsylvania Local Government Debt Act prescribes certain remedies to the registered owners of the bonds upon the occurrence of default. If the Borough fails to make adequate provision in its budget, for any year, the sum payable on the bonds, or fails to appropriate or pay the monies necessary in such year for the payment of maturing principal and interest on the bonds, the registered owners may bring suit in the Court of Common Pleas of Allegheny County directing the Borough to make such obligated payments.

If the default continues for a period of thirty days, or if the Borough fails to comply with any provision of either the bonds or ordinance, any registered owner has the right to recover the amount due in an action in assumpsit in the Court of Common Pleas of Allegheny County. In lieu of the remedies described, if the default continues for a period of thirty days, or if the Borough fails to comply with any provision of either the bonds or ordinance, the bond holders of 25% in aggregate principal amount of the bonds outstanding may appoint a trustee to represent the bond holders to commence a lawsuit to enforce the rights of all registered bondholders. All taxable real estate in the Borough is subject to ad valorem taxation without limitation as to rate or amount to pay debt service on the bonds

The bonds carry a commitment from Build America Mutual Assurance Company under which an insurance policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the bonds.

A schedule of the December 31, 2023 debt service requirements on the Proprietary Fund's general obligation bonds is as follows:

| <b>Year End<br/>31-Dec</b> | <b>2022<br/>Principal</b>  | <b>Interest</b>            | <b>TOTAL</b>               |
|----------------------------|----------------------------|----------------------------|----------------------------|
| 2024                       | \$ 210,000                 | \$ 166,666                 | \$ 376,666                 |
| 2025                       | 220,000                    | 160,366                    | 380,366                    |
| 2026                       | 225,000                    | 153,766                    | 378,766                    |
| 2027                       | 230,000                    | 147,016                    | 377,016                    |
| 2028                       | 285,000                    | 142,416                    | 427,416                    |
| 2029-2033                  | 1,530,000                  | 624,121                    | 2,154,121                  |
| 2034-2038                  | 1,685,000                  | 459,999                    | 2,144,999                  |
| 2039-2043                  | 1,885,000                  | 253,835                    | 2,138,835                  |
| 2044-2045                  | 825,000                    | 32,681                     | 857,681                    |
|                            | <b><u>\$ 7,095,000</u></b> | <b><u>\$ 2,108,186</u></b> | <b><u>\$ 9,235,868</u></b> |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 – LONG-TERM DEBT OBLIGATIONS - PROPRIETARY FUNDS**

The Borough has defeased certain bond issues by entering into an irrevocable trust agreement to purchase U.S. Government Securities in an amount sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, this prior debt is considered defeased and therefore removed as a liability from the Borough's financial statements. The difference between the Borough's defeased debt and the reacquisition price (amount deposited with escrow agent for refunding purposes), is considered 'deferred interest' and is being amortized over the life of the new bond issue. The remaining amount of deferred interest on refunding totaling \$340,858 is reflected as a component of 'deferred outflows of resources' in the business-type activities column on the government-wide statement of net position. Total amortization for the 2023 fiscal year was \$21,852 and was charged to the 'Electric and Water Fund' expense category in the statement of activities.

**NOTE 9 – CHANGES IN LONG-TERM DEBT OBLIGATIONS**

The following represents the changes in the Borough's long-term liabilities during the 2023 calendar year:

|                                                            | Balance<br>1/1/2023 | Additions         | Reductions        | Balance<br>12/31/2023 | Due Within<br>One Year |
|------------------------------------------------------------|---------------------|-------------------|-------------------|-----------------------|------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                             |                     |                   |                   |                       |                        |
| Compensated Absences                                       | \$ 10,665           | \$ 5,734          | \$ -              | \$ 16,399             | \$ -                   |
| Net Pension Liability                                      | 98,044              | 298,194           | -                 | 396,238               | -                      |
| Net OPEB Liability                                         | 85,942              | 3,271             | -                 | 89,213                | -                      |
| <b>Total long-term debt -<br/>Governmental activities</b>  | <b>\$ 194,651</b>   | <b>\$ 307,199</b> | <b>\$ -</b>       | <b>\$ 501,850</b>     | <b>\$ -</b>            |
| <b>BUSINESS-TYPE ACTIVITIES</b>                            |                     |                   |                   |                       |                        |
| Direct Borrowings:                                         |                     |                   |                   |                       |                        |
| General Obligation Bonds                                   | \$ 7,300,000        | \$ -              | \$ 205,000        | \$ 7,095,000          | \$ 210,000             |
| Compensated Absences                                       | 1,455               | 1,113             | -                 | 2,568                 | -                      |
| Net Pension Liability                                      | (344,576)           | 485,263           | -                 | 140,687               | -                      |
| <b>Total long-term debt -<br/>Business-Type Activities</b> | <b>\$ 6,956,879</b> | <b>\$ 486,376</b> | <b>\$ 205,000</b> | <b>\$ 7,238,255</b>   | <b>\$ 210,000</b>      |

**NOTE 10 - BOROUGH PENSION PLANS**

The following is a summary of the Borough of Tarentum's defined benefit pension plan:

**POLICE PENSION PLAN** - The Borough of Tarentum's police pension plan established May 19, 1958, is a single-employer defined benefit pension plan established to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and Borough Council ordinances. The plan is governed by the members of Borough Council who are responsible for the management of plan assets. The PNC Institutional Asset Management is the custodian of the funds.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

Plan membership as of January 1, 2023 was comprised of:

|                                                         |           |
|---------------------------------------------------------|-----------|
| Active employees                                        | 9         |
| Retirees and beneficiaries currently receiving benefits | 3         |
| Surviving spouses                                       | 1         |
| Deferred Vested                                         | 2         |
| Total                                                   | <u>15</u> |

A summary of the plan's provisions are as follows:

|                                    |                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> -       | All permanent members of the Borough of Tarentum police department including members annexed from Brackenridge Borough.                                                                                                                                                                                                                                                               |
| <b><u>ELIGIBILITY</u></b> -        | Attainment of age 50 and 25 years of service.                                                                                                                                                                                                                                                                                                                                         |
| <b><u>EARLY RETIREMENT</u></b>     | None permitted.                                                                                                                                                                                                                                                                                                                                                                       |
| <b><u>BENEFITS</u></b> -           | Based on one-half of the participant's average monthly salary earned during the final 36 months of employment at retirement plus a service increment. Service increment to participants who retire after completion of 25 years of service = \$100 per month.                                                                                                                         |
| <b><u>VESTING</u></b> -            | Participants are entitled to a vested deferred benefit after 12 years of service.                                                                                                                                                                                                                                                                                                     |
| <b><u>SURVIVOR BENEFIT</u></b> -   | Before retirement eligibility: refund of contributions with interest. After retirement eligibility: Surviving spouse will receive 50% of the amount that the participant was receiving or was eligible to receive, for life. In event of spouse's death, the participant's children under age 18 will share the benefit. Killed in service removed in accordance with Act 51 of 2009. |
| <b><u>DISABILITY BENEFIT</u></b> - | Service related: 75% of wages until 65; 50% thereafter. Act 30 benefit no less than 50% of wages at date of disablement offset by Social Security disability benefit.                                                                                                                                                                                                                 |
| <b><u>FUNDING</u></b> -            | Employee contributions are currently not required. Borough contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program.                                                                                                                                       |



**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY**

The components of the net pension liabilities for the police pension plan at December 31, 2023 are as follows:

|                                                                      |                          |
|----------------------------------------------------------------------|--------------------------|
| Total pension liability*                                             | \$ 4,706,510             |
| Plan fiduciary net position                                          | (4,468,918)              |
| Net pension liability(asset)                                         | <u><u>\$ 237,592</u></u> |
|                                                                      |                          |
| Plan fiduciary net position as a %<br>of the total pension liability | 94.95%                   |

\* The Borough of Tarentum's total pension liability for the police pension plan was determined by an actuarial valuation as of January 1, 2023. The total pension liability as of 12/31/2023 reflects the plan change in August 1, 2023 whereby three officers from Brackenridge Borough were assumed by the Borough's police department and became pension plan members as of the same date.

**ACTUARIAL ASSUMPTIONS**

- **Interest Rates:** 6.75% pre-retirement and post-retirement
- **Salary Projection:** 4.0% post-retirement
- **Actuarial Cost Method:** Entry Age Normal
- **Disability Rates:** None
- **Termination Rates:** None
- **Rates of Pre-Retirement Mortality:** None
- **Rates of Post-Retirement Mortality:** Males and Females: Public Plan Safety
- **Rates of Disabled Lives:** Males and Females: Public Plan Safety
- **Mortality Improvement:** Scale MP-2020
- **Disability Incidence Rates:** None
- **Retirement Age:** Later of age 50 & 25 years of service or attached age + 1 if greater
- **Marital Status and Spouse's Age (if applicable):** 100% Married, female spouse three years younger
- **Post-Retirement Cost of Living Increases:** 2.75% per year, subject to plan limitations
- **Investment Return:** 6.75% compounded annually, net of expenses
- **Administrative expenses:** 2.437% of payroll

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY (Continued)**

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets), and the Net Pension Liability (NPL) as of the Measurement date.

|                                                      | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability(Asset)<br/>( c )</b> |
|------------------------------------------------------|----------------------------------------------|--------------------------------------------------|---------------------------------------------------|
| <b>Balance, beginning of year</b>                    | <u>\$ 3,816,245</u>                          | <u>\$ 3,373,625</u>                              | <u>\$ 442,620</u>                                 |
| Changes for the year:                                |                                              |                                                  |                                                   |
| Service cost                                         | 136,177                                      | -                                                | 136,177                                           |
| Interest                                             | 263,872                                      | -                                                | 263,872                                           |
| Changes of Benefit Terms *                           | 515,316                                      | -                                                | 515,316                                           |
| Difference between expected<br>and actual experience | 64,731                                       | -                                                | 64,731                                            |
| Changes of assumptions                               | -                                            | -                                                | -                                                 |
| Contributions-employer                               | -                                            | 648,721                                          | (648,721)                                         |
| Net investment income                                | -                                            | 560,814                                          | (560,814)                                         |
| Benefit payments                                     | (89,831)                                     | (89,831)                                         | -                                                 |
| Administrative expenses / Other                      | -                                            | (24,411)                                         | 24,411                                            |
| Net changes                                          | <u>890,265</u>                               | <u>1,095,293</u>                                 | <u>(205,028)</u>                                  |
| <b>Balance, End of Year</b>                          | <u><u>\$ 4,706,510</u></u>                   | <u><u>\$ 4,468,918</u></u>                       | <u><u>\$ 237,592</u></u>                          |

\* Pension Liability and asset transfer assumed 8/1/2023 for officers from Brackenridge.

Components of pension expense of the police pension plan for the year ended December 31, 2023:

|                                                                                     |                          |
|-------------------------------------------------------------------------------------|--------------------------|
| Service Cost                                                                        | \$ 136,177               |
| Interest on the total pension liability                                             | 263,872                  |
| Current Period Benefit Change *                                                     | 515,316                  |
| Recognition of differences between expected<br>and actual non-investment experience | (28,341)                 |
| Recognition of changes of assumptions                                               | 11,416                   |
| Projected earnings on pension plan investments                                      | (239,982)                |
| Recognition of differences between expected and<br>actual investment experience     | (32,785)                 |
| Pension plan administrative expense                                                 | 24,111                   |
| Other changes in fiduciary net position *                                           | (515,316)                |
| <b>Total pension expense</b>                                                        | <u><u>\$ 134,468</u></u> |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)**

For the year ended December 31, 2023, total reported deferred outflows of resources and deferred inflows of resources related to the police pension plan are as follows:

|                                                                   | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|-------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between expected and actual non-investment experience | \$ 88,727                                            | \$ 222,710                                          |
| Changes of assumptions                                            | 124,268                                              | 11,968                                              |
| Differences between expected and actual investment earnings       | 585,376                                              | 396,710                                             |
| TOTAL                                                             | <b><u>\$ 798,371</u></b>                             | <b><u>\$ 631,388</u></b>                            |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, prior to contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

| <b><u>Year ended<br/>December 31,</u></b> |           |
|-------------------------------------------|-----------|
| 2024                                      | \$ 24,428 |
| 2025                                      | 63,472    |
| 2026                                      | 117,961   |
| 2027                                      | (67,777)  |
| 2028                                      | (3,811)   |
| Thereafter                                | 32,710    |

**LONG-TERM EXPECTED RATE OF RETURN ON INVESTMENTS**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which a best-estimate of expected future real rates of return is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of real rates of return for each major asset class included in the foremen's and police pension plan's target asset allocation were provided through a poll of major investment advisory firms and are summarized as follows:

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**LONG-TERM EXPECTED RATE OF RETURN ON INVESTMENTS (Continued)**

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return (Gross)</u> | <u>Long-Term Expected Real Rate of Return (Real)</u> |
|----------------------------------|--------------------------|-------------------------------------------------------|------------------------------------------------------|
| Domestic Equity                  | 50%                      | 7.15%                                                 | 4.90%                                                |
| International Equity             | 15%                      | 8.00%                                                 | 5.75%                                                |
| Fixed Income                     | 35%                      | 3.70%                                                 | 1.45%                                                |
| Long-term assumed inflation rate |                          | 2.25%                                                 |                                                      |

**DISCOUNT RATE**

The discount rate used to measure the total pension liability at December 31, 2023 is 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions would continue at the current rates, and that the employer would contribute the Minimum Municipal Obligation in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

The following presents the net pension liability of the Borough of Tarentum's police pension plan, calculated using the discount rate of 6.75%, as well as what the Borough's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

|                              | <u>1% Decrease</u> | <u>Current</u>       | <u>1% Increase</u>  |
|------------------------------|--------------------|----------------------|---------------------|
|                              | <u>5.75%</u>       | <u>Discount Rate</u> | <u>7.75%</u>        |
|                              |                    | <u>6.75%</u>         |                     |
| Total Pension Liability      | \$ 5,335,551       | \$ 4,706,510         | \$ 4,187,147        |
| Plan Fiduciary Net Position  | 4,468,918          | 4,468,918            | 4,468,918           |
| Net Pension Liability(Asset) | <u>\$ 866,633</u>  | <u>\$ 237,592</u>    | <u>\$ (281,771)</u> |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS)**

**DESCRIPTION OF PLAN**

The Borough of Tarentum pension plan is a single-employer defined benefit pension plan controlled by the provisions of Resolution No. 01-08 adopted pursuant to Act 15 of 1974. 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. The Plan is not subject to fiduciary reporting as the Borough's Board is not the same as the Pension Board, the Plan's budget or contribution requirements are not approved by the Borough, and the Borough does not have control of the pension plan assets. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office or visiting their website at [pmrs.state.pa.us](http://pmrs.state.pa.us).

**PLAN MEMBERSHIP**

Plan membership consisted of the following as of January 1, 2023:

|                                     |           |
|-------------------------------------|-----------|
| Active plan members                 | 18        |
| Retirees and beneficiaries          |           |
| currently receiving benefits        | 17        |
| Terminated employees entitled to    |           |
| benefits but not yet receiving them | 3         |
| Total                               | <u>38</u> |

**PLAN BENEFITS**

The plan provides retirement and death benefits to eligible plan members and their beneficiaries. Effective January 1, 2009, the plan allows for a normal retirement benefit at age 60 or older with at least 20 years of credited service. No early retirement benefits are available. Monthly pension benefits are detailed in plan documents. Participants are fully vested upon completion of three (3) years of service.

**PLAN CONTRIBUTION REQUIREMENTS**

Employer contributions are actuarially determined 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. This contribution is based upon the Minimum Municipal Obligation (MMO) as defined in Act 205. For the calendar year 2022, the Borough contributed \$174,557 to the plan. This contribution to the pension plan, subsequent to the measurement date of the Borough's net pension liability (NPL), is recognized as a component of 'deferred outflows of resources – pension' on the statement of net position. Employee contributions are currently not required.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**ACTUARIAL ASSUMPTIONS:**

The Borough's total pension liability (TPL) was measured as of December 31, 2022, based on the actuarial valuation as of January 1, 2023. The TPL as of December 31, 2022, was based upon the following actuarial assumptions:

- **Actuarial Cost Method** – Entry Age Normal.
- **Rates of Pre-Retirement Mortality** – Males and Females: PUB-2010 General Employees male and female tables.
- **Rates of Post-Retirement Mortality** – Males and Females: RP2006 annuitant male and female tables.
- **Disabled Life Mortality Rates** – Males and Females: RP2006 disabled annuitant male and female tables.
- **Mortality Improvement** – All base mortality tables described above are projected from the applicable table's base year to 2023 using Mortality Improvement Scale MP-2018.
- **Termination Rates Before Retirement** – Less than 25 active members – sliding scale 1 year 11% down to 10 plus years at 3%. More than 25 active members – sliding scale 1 year 12% down to 10 plus years at 3.5%.
- **Disability Incidence Rates** – 50% of 2017 CALPERS Public Miscellaneous Group disability rates for males. 20% of disablements are assumed to be service related for municipal plans, and 70% for uniform plans.
- **Workers Compensation** – Service-related disability benefits payable from municipal plans are offset by 25% of final average salary.
- **Salary Scale**: Sliding scale - age 25 (6.22%) down to age 65 (2.79%).
- **Rates of Retirement**: Municipal members - Under age 55 (33%), age 55 (30%), age 56-57 (12%), age 58-59 (14%), age 60 (18%), age 61 (10%), age 62 (20%), age 63 (18%), age 64 (15%), age 65-67 (25%), age 68-70 (20%), age 71-73 (22%), age 74 (20%), age 75 (100%). Uniformed members - Under age 49 (0%), age 50 (25%), age 51-53 (10%), age 54-55 (15%), age 56-58 (17%), age 59-60 (15%), age 61 (20%), age 62 (28%), age 63 (22%), age 64 (25%), age 65 (35%), age 66 (30%), age 67+ (100%).
- **Deferred Retirement Option Plan (DROP)** – For plans with these options, at participant's normal retirement age, retirement rates multiplied by the following factors: uniform 130% nonuniformed 115%
- **Marital Status and Spouse's Age (if applicable)**: For plans with the 50% J&S form of payment, 85%/65% of active male/female members are assumed to be married. Male spouses are assumed to be 3 years older than female spouses.
- **Social Security Projections (if applicable)**: Social security wage base will increase 2.7% compounded annually; CPI will increase 2.2% compounded annually; average total wages will increase 2.7% compounded annually
- **Post-Retirement Cost of Living Increases**: 2.2% per year, subject to plan limitations.
- **Investment Return**: 5.25% compounded annually, net of investment and certain administrative expenses.
- **Administrative expenses**: The expense assumption is based upon the expected expenses for the current year. The administrative expense consists of two pieces: 1) the PMRS administrative expenses (i.e., the \$20 per participant charge paid directly by the municipality, and 2) the additional administrative expenses in excess of the PMRS administrative expenses that are paid through the Undistributed Earnings.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**ACTUARIAL ASSUMPTIONS (Continued):**

An experience study is completed every five years for the System. The assumptions above were reviewed and adopted by the Board based on the most recent experience study for the period covering January 1, 2014 – December 31, 2018. The assumption changes from this experience study were first reflected as of the December 31, 2020 Measurement Date.

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY**

The following shows the changes in the Total Pension Liability (TPL), the Plan Fiduciary Net Position (fair value of plan assets) during the Measurement Period, and the Net Pension Liability (NPL) as of the Measurement date.

|                                                    | <b>Total Pension<br/>Liability<br/>( a )</b> | <b>Plan Fiduciary<br/>Net Position<br/>( b )</b> | <b>Net Pension<br/>Liability<br/>( c )</b> |
|----------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------|
| <b>Balances at 12/31/21</b>                        | \$ 5,847,318                                 | \$ 6,536,470                                     | \$ (689,152)                               |
| Changes for the year:                              |                                              |                                                  |                                            |
| Service cost                                       | 135,618                                      | -                                                | 135,618                                    |
| Interest                                           | 305,657                                      | -                                                | 305,657                                    |
| Changes of benefits                                | -                                            | -                                                | -                                          |
| Changes of assumptions                             | -                                            | -                                                | -                                          |
| Differences between expected and actual experience | 12,763                                       | -                                                | 12,763                                     |
| Contributions - employer                           | -                                            | 161,501                                          | (161,501)                                  |
| Contributions - PMRS assessment                    | -                                            | 780                                              | (780)                                      |
| Contributions - member                             | -                                            | 51,695                                           | (51,695)                                   |
| PMRS investment income                             | -                                            | 285,771                                          | (285,771)                                  |
| Market value investment income*                    | -                                            | (1,018,315)                                      | 1,018,315                                  |
| Transfers                                          | -                                            | -                                                | -                                          |
| Benefit payments                                   | (308,096)                                    | (308,096)                                        | -                                          |
| PMRS administrative expense                        | -                                            | (780)                                            | 780                                        |
| Additional administrative expense                  | -                                            | (15,099)                                         | 15,099                                     |
| Net changes                                        | 145,942                                      | (842,543)                                        | 988,485                                    |
| <b>Balances at 12/31/22</b>                        | <b>\$ 5,993,260</b>                          | <b>\$ 5,693,927</b>                              | <b>\$ 299,333</b>                          |

\* Reflects the net investment income/(loss) of \$(1,122,137) and income/(loss) due to the difference between expected and actual asset values of \$103,822 which includes the impact from allocation of assets in support of the underlying retiree liabilities.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**TOTAL PENSION LIABILITY, PLAN FIDUCIARY NET POSITION, AND NET PENSION LIABILITY (Continued)**

The above does not reflect changes in benefits, assumptions, or reserve accounts after the Measurement Date. Except where noted below, the TPL as of December 31, 2022, was based on the data, actuarial methods and assumptions, and plan provisions as described. The assumptions used to determine the TPL as of the December 31, 2021, measurement date can be found in the January 1, 2022, PMRS actuarial valuation report on the prior year's GASB Report.

According to Governmental Accounting Standards Board (GASB) Statements No. 67 and 68, PMRS is required to allocate/distribute all funds to the respective participating employers for financial reporting purposes, to determine the respective employer 'plan fiduciary net position.' PMRS has determined that net investment income or loss and administrative expenses will be allocated to the employer/municipality accounts pro-rata based on their beginning Fiduciary Net Position balance adjusted for cash flows throughout the year. The 'additional administrative expenses' are the expenses in excess of the 'PMRS administrative expense' (i.e. \$20 per participant expense paid by each plan). The 'PMRS investment income' is based upon the regular and excess interest used to credit accounts annually. The 'market value investment income' reflects the investment income/loss during the year net of PMRS investment income and the income/loss due to the difference between expected and actual asset values, including the impact from allocation of assets in support of the underlying retiree liabilities.

The impact of experience gains or losses and assumption changes on the TPL are recognized in the pension expense over the average expected remaining service life of all active and inactive members of the Plan, as provided below. The impact of investment gains or losses are recognized in the pension expense over a period of five years. The impact of plan changes is recognized immediately.

**SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

The following is a schedule of collective deferred inflows and outflows as of December 31, 2022:

|                                                                                        | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|----------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between expected<br>and actual experience                                  | \$ 30,231                                            | \$ -                                                |
| Changes of assumptions                                                                 | 49,610                                               | -                                                   |
| Net difference between<br>projected and actual earnings<br>on pension plan investments | 176,151                                              | -                                                   |
| Contributions after measurement date                                                   | 174,557                                              | -                                                   |
| TOTAL                                                                                  | <b><u>\$ 430,549</u></b>                             | <b><u>\$ -</u></b>                                  |



**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)**

The \$174,557 reported as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement date December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent audit reports as follows:

| <b><u>Year ended</u></b><br><b><u>December 31,</u></b> |             |
|--------------------------------------------------------|-------------|
| 2022                                                   | \$ (57,187) |
| 2023                                                   | 13,743      |
| 2024                                                   | 95,773      |
| 2025                                                   | 203,663     |
| 2026                                                   | -           |
| Thereafter                                             | -           |

**PENSION EXPENSE**

The annual pension expense recognized can be calculated two different ways. First, it is the change in the amounts reported on for the Employer's Statement of Net Position that relate to the plan and are not attributable to employer contributions. That is, the change in Net Pension Liability (NPL) plus the changes in deferred outflows and deferred inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. Although not required by GASB, PMRS provides an example of this calculation at [pmrs.state.pa.us/yearendrptg](https://pmrs.state.pa.us/yearendrptg).

**LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS**

The PMRS System's long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are combined to produce the Systems' Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan's target asset allocation as of December 31, 2022, and summarized in the table below labeled "System Nominal Net and Real Rates of Return by Asset Class."

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS (Continued)**

**System Nominal and Real Rates of Return by Asset Class**

| <b>Asset Class</b>                          | <b>Target<br/>Asset<br/>Allocation</b> | <b>Nominal<br/>Net Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|---------------------------------------------|----------------------------------------|-------------------------------------------|-----------------------------------------------------------|
| Domestic Equities (large cap)               | 24.50%                                 | 7.50%                                     | 5.00%                                                     |
| Domestic Equities (small cap)               | 8.00%                                  | 8.20%                                     | 5.70%                                                     |
| International Equities (developing markets) | 14.50%                                 | 7.60%                                     | 5.10%                                                     |
| International Equities (emerging markets)   | 3.00%                                  | 8.01%                                     | 5.51%                                                     |
| Global Equities                             | 5.00%                                  | 7.03%                                     | 4.53%                                                     |
| Real Estate                                 | 10.00%                                 | 7.42%                                     | 4.92%                                                     |
| Timber                                      | 5.00%                                  | 6.50%                                     | 4.00%                                                     |
| Fixed Income (Core Investment Grade)        | 24.00%                                 | 4.60%                                     | 2.10%                                                     |
| Fixed Income (Opportunistic Credit)         | 5.00%                                  | 8.00%                                     | 5.50%                                                     |
| Cash                                        | 1.00%                                  | 2.20%                                     | -0.30%                                                    |
| Total Portfolio                             | 100.00%                                | 7.43%                                     | 4.93%                                                     |

Based on the aforementioned methodology, the Board established the System's Long-Term Expected Rate of Return at 7.43%.

In addition to determining the System's Long-Term Nominal Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities' actuarial asset accounts held by PMRS. The rationale for the difference between the System's Long-Term Expected Rate of Return and the individual participating municipalities' Regular Interest Rate is described in the following section "Discount Rate." As of December 31, 2022, this rate is equal to 5.25%.

The Board has determined the minimum acceptable confidence level for achieving the Regular Interest Rate to be 60%. The table below labeled "Confidence Levels for System Nominal and Real Rates of Return" identifies simulated portfolio returns at various confidence levels based on the most recent asset allocation study conducted by the Boards' investment consultant, Marquette Associates.

**Confidence Levels for System Nominal and Real Rates of Return**

| <b>Confidence<br/>Interval</b> | <b>Nominal<br/>Rate of<br/>Return</b> | <b>Long-Term<br/>Expected<br/>Real Rate<br/>of Return</b> |
|--------------------------------|---------------------------------------|-----------------------------------------------------------|
| 95.00%                         | 4.18%                                 | 1.68%                                                     |
| 90.00%                         | 4.87%                                 | 2.37%                                                     |
| 85.00%                         | 5.51%                                 | 3.01%                                                     |
| 80.00%                         | 5.86%                                 | 3.36%                                                     |
| 75.00%                         | 6.10%                                 | 3.60%                                                     |
| 70.00%                         | 6.45%                                 | 3.95%                                                     |
| 60.00%                         | 6.99%                                 | 4.49%                                                     |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**DISCOUNT RATE**

While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate. The PMRS Board establishes the Regular Interest Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. The Board considers the following five quantitative factors in establishing the Regular Interest Rate:

1. Retiree Plan liability as a percentage of total Plan liability,
2. Active Plan participant liability as a percentage of total Plan liability,
3. Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates,
4. PMRS System Long-Term Expected Rate of Return, and
5. PMRS administrative expenses

The formula using these factors is as follows:

Regular Interest Rate/Discount Rate = (Retiree Liability Percentage x Smoothed PBGC Annuity Rates) + (Active Employee Liability Percentage x System Long-Term Expected Rate of Return) – (Investment Expenses as a percentage of assets)

The Board may then adjust the Regular Interest Rate/Discount Rate derived from the formula against a variety of qualitative factors such as the desire to minimize Regular Interest Rate/Discount Rate volatility, probability of achieving the Regular Interest Rate, varying levels of asset allocation and liquidity, trending annuity rates, total PMRS actuarial and market value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate/Discount Rate adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% as of December 31, 2022.

The Regular Interest Rate/Discount Rate will likely result in a System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate/Discount Rate, the Board is authorized to allocate any applicable portion of any such excess in accordance with Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Regular Interest Rate/Discount Rate was required ("depletion testing"), used the following assumptions: 1) member contributions will be made at the current contribution rate, 2) participating plan sponsors contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS) (Continued)**

**LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS (Continued)**

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE**

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL, and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate with two additional measures, plus and minus one percent from the rate used for the disclosure.

|                                                                      | <b><u>1% Decrease</u></b><br><b><u>(4.25%)</u></b> | <b><u>Discount Rate</u></b><br><b><u>(5.25%)</u></b> | <b><u>1% Increase</u></b><br><b><u>(6.25%)</u></b> |
|----------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|
| Total Pension Liability                                              | \$ 6,648,643                                       | \$ 5,993,260                                         | \$ 5,434,234                                       |
| Plan Fiduciary Net Position                                          | 5,693,927                                          | 5,693,927                                            | 5,693,927                                          |
| Net Pension Liability                                                | <u>\$ 954,716</u>                                  | <u>\$ 299,333</u>                                    | <u>\$ (259,693)</u>                                |
| Plan Fiduciary Net Position as a<br>% of the Total Pension Liability | 85.64%                                             | 95.01%                                               | 104.78%                                            |

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION**

**PLAN DESCRIPTION**

The Borough of Tarentum administers a single-employer defined benefit health care plan ("Early Retirement Health Care Benefit"). The Early Retirement Health Care Benefit Plan provides health care insurance until retirees and spouses are Medicare eligible (spousal benefits end when the spouse reaches Medicare eligibility regardless of the age of the participant) and \$10,000 death benefit for non-uniformed retirees and \$5,000 death benefit for police retirees through the Borough's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Borough and the unions representing Borough employees and are renegotiated each bargaining period. In addition, coverage is provided for management and elected officials. The Early Retirement Health Care Benefit Plan does not issue a publicly available financial report.

The plan is unfunded and does not issue a publicly available financial report. These benefits are accounted for in accordance with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

**FUNDING POLICY**

The contribution requirements of the Borough and plan members are established through negotiations with the Borough's unions. Contribution requirements for management and elected officials are established by Borough Council. The required contribution is based on pay-as-you-go financing. For all employees, the funding policy deductibles are \$1,500 for singles and \$3,000 for couples/families, of which 80% is covered by the Borough and 20% by the employee.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**EMPLOYEES COVERED BY BENEFIT TERMS**

As of December 31, 2023, the following employees were covered by the benefit terms:

|                                 |           |
|---------------------------------|-----------|
| Active participants             | 27        |
| Participants receiving benefits | -         |
| Total                           | <u>27</u> |

The Borough's total OPEB liability of \$85,942 was measured as of December 31, 2022 and was determined by an actuarial valuation performed as of the same date.

**ACTUARIAL ASSUMPTIONS AND OTHER INPUTS**

The total OPEB liability was determined using the following significant actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

- **Funding Method** – Entry age normal (% of compensation)
- **Discount Rate** – 2.00%
- **Mortality** – Non-disabled – Public Plan Gen EEs + Mp-2020 head counted rates
- **Mortality** – Disabled rates Public Plan Gen EEs
- **Turnover** – T-1
- **Future Retirement Participation** – Police - 10%, Non-Uniform – 20%
- **Rates of Disablement** – None assumed
- **Assumed Retirement Age** – Police – Later of age 55 & 25 years of service, Non-Uniform – Age 60
- **Health Care Cost Trends** – 1<sup>st</sup> year 9%, next 4 years 8%, next 6 years 7%, next 7 years 6%, ultimate trend 5%
- **Base Per Capita Costs (monthly)** – Health - \$530.09 Single / \$1,378.58 H/W, Life – Police : \$6.00, Life - Non-uniformed: \$6.00 and HRA - \$750 per year per retiree/spouse
- **Salary Increase** – 4%
- **Assumed Retirement Age** – NRA or attained age if later
- **Benefit Commitment** – Police (medical) 5 years of coverage, none after 65, Non-Uniform (medical) 3 years of coverage, none after 65, Both (medical) no coverage if other coverage available, and Life - \$10,000
- **Spouse Coverage** – covered only when retiree covered

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**CHANGES IN THE TOTAL OPEB LIABILITY**

|                                                    |                         |
|----------------------------------------------------|-------------------------|
| Balance at December 31, 2022                       | \$ 85,942               |
| Changes for the year:                              |                         |
| Service Cost                                       | 6,623                   |
| Interest                                           | 3,141                   |
| Changes of benefit terms                           | -                       |
| Differences between expected and actual experience | 1,422                   |
| Changes in assumptions or other inputs             | -                       |
| Benefit payments                                   | (7,915)                 |
| Net Changes                                        | <u>3,271</u>            |
| Balance at December 31, 2023                       | <u><u>\$ 89,213</u></u> |

**Sensitivity of the total OPEB liability to changes in the Discount Rate**

The following presents the net OPEB liability, calculated using the discount rate of 2.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

|                      | 1%<br>Decrease<br>2.65% | Current<br>Discount<br>Rate<br>3.65% | 1%<br>Increase<br>4.65% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | <u>\$ 86,745</u>        | <u>\$ 89,213</u>                     | <u>\$ 92,267</u>        |

**Sensitivity of the total OPEB liability to changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                    | 1%<br>Decrease<br>1.00% | Current<br>Trend<br>Rates<br>2.00% | 1%<br>Increase<br>3.00% |
|--------------------|-------------------------|------------------------------------|-------------------------|
| Net OPEB Liability | <u>\$ 95,053</u>        | <u>\$ 89,213</u>                   | <u>\$ 84,023</u>        |

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

|                                                   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---------------------------------------------------|-------------------------------------------|------------------------------------------|
| Difference between expected and actual experience | \$ 8,993                                  | \$ 97,279                                |
| Changes in assumptions                            | 3,573                                     | 5,007                                    |
|                                                   | <u>\$ 12,566</u>                          | <u>\$ 102,286</u>                        |

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Fiscal</b>       |                     |
|---------------------|---------------------|
| <b>Year ended</b>   | <b>Amortization</b> |
| <b>December 31,</b> | <b>Amount</b>       |
| 2024                | \$ (13,091)         |
| 2025                | (13,091)            |
| 2026                | (13,091)            |
| 2027                | (13,090)            |
| 2028                | (15,026)            |
| thereafter          | (22,331)            |

**NOTE 12 – RISK AND UNCERTAINTIES**

**GENERAL INSURANCE**

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

**LEGAL MATTERS**

The Borough, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2023, the Borough is unaware of any pending litigation that would be material to the financial position of the Borough of Tarentum.

**FEDERAL AND STATE FUNDING**

The Borough's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Borough is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**BOROUGH OF TARENTUM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 13 - PRIOR PERIOD ADJUSTMENT**

The prior period adjustment of \$652,745 to the Governmental Funds fund balance and Government Wide net position, \$(652,725) to the Business-Type Activities' net position, and \$(20) to the Fiduciary Funds net position represents an adjustment to the Borough's interfund balances of as 12/31/2022 for interfund balances that were not intended to be reimbursed between the funds.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to December 31, 2023 through the August 6, 2023 date of the 'Independent Auditor's Report', which is the date the financial statements were available to be issued, that require disclosure in the financial statements.



# **SUPPLEMENTARY INFORMATION**

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                            | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|--------------------------------------------|---------------------|---------------------|---------------------------|
| <b>TAXES:</b>                              |                     |                     |                           |
| Real Estate Taxes - Current                | \$ 481,872          | \$ 480,629          | \$ (1,243)                |
| Real Estate Taxes - Prior Year's           | 17,493              | 16,173              | (1,320)                   |
| Real Estate Taxes - Delinquent             | 35,000              | 24,205              | (10,795)                  |
| Sales Tax-Rad Allegheny County 1%          | 150,844             | 202,008             | 51,164                    |
| Per Capita Taxes - Current                 | 6,350               | 6,007               | (343)                     |
| Per Capita Taxes - Prior                   | 200                 | 274                 | 74                        |
| Per Capita Taxes - Delinquent              | 350                 | 550                 | 200                       |
| Real Estate Transfer Tax                   | 35,000              | 35,860              | 860                       |
| Earned Income Tax - Current                | 346,000             | 426,134             | 80,134                    |
| LST Tax - Current                          | 55,000              | 58,813              | 3,813                     |
| Mechanical Devices Taxes                   | 28,000              | 26,600              | (1,400)                   |
| Business Privilege Taxes                   | -                   | 4,030               | 4,030                     |
| Penalty and Interest Real Property         | 20,000              | 16,360              | (3,640)                   |
| Penalty and Interest Per Capita            | 400                 | 369                 | (31)                      |
| <b>TOTAL TAXES</b>                         | <b>\$ 1,176,510</b> | <b>\$ 1,298,012</b> | <b>\$ 121,502</b>         |
| <b>LICENSES AND PERMITS:</b>               |                     |                     |                           |
| Billboard Advertising Signs Permits        | \$ 1,500            | \$ 2,164            | \$ 664                    |
| Business Privilege                         | 5,049               | -                   | (5,049)                   |
| Soliciting Permit                          | 100                 | 100                 | -                         |
| Sign Permit                                | 50                  | 112                 | 62                        |
| Cable Television Franchise                 | 61,380              | 57,554              | (3,826)                   |
| Vacant Property Registration Fee           | 2,500               | 450                 | (2,050)                   |
| Street Opening Permit                      | 2,500               | 2,272               | (228)                     |
| Handicap Permits                           | -                   | 97                  | 97                        |
| Demolition Permit                          | 313                 | 523                 | 210                       |
| <b>TOTAL LICENSES AND PERMITS</b>          | <b>\$ 73,392</b>    | <b>\$ 63,272</b>    | <b>\$ (10,120)</b>        |
| <b>FINES AND FORFEITURES:</b>              |                     |                     |                           |
| Fines - Magistrate                         | \$ 13,477           | \$ 8,030            | \$ (5,447)                |
| Fines - County Clerk                       | 4,291               | 3,923               | (368)                     |
| Fines - Restitutions                       | 300                 | 20                  | (280)                     |
| Fines - Commonwealth of PA State Police    | 1,000               | 1,794               | 794                       |
| Parking Tickets                            | 250                 | 450                 | 200                       |
| Quality of Life Tickets                    | -                   | 135                 | 135                       |
| <b>TOTAL FINES AND FORFEITURES</b>         | <b>\$ 19,318</b>    | <b>\$ 14,352</b>    | <b>\$ (4,966)</b>         |
| <b>INTEREST AND RENTS:</b>                 |                     |                     |                           |
| Interest Income                            | \$ 75               | \$ 1,468            | \$ 1,393                  |
| Leasing of Borough Property                | 175                 | 477                 | 302                       |
| Tower Leases                               | 50,484              | 58,255              | 7,771                     |
| Rent - Boat Docks                          | 18,800              | 16,900              | (1,900)                   |
| <b>TOTAL INTEREST AND RENTS</b>            | <b>\$ 69,534</b>    | <b>\$ 77,100</b>    | <b>\$ 7,566</b>           |
| <b>INTERGOVERNMENTAL:</b>                  |                     |                     |                           |
| State Grant - Police                       | \$ -                | \$ 1,252            | \$ 1,252                  |
| State Grant - Recreational                 | -                   | 44,950              | 44,950                    |
| Public Utility Realty Tax                  | 1,400               | 1,142               | (258)                     |
| Alcoholic Beverage License                 | 2,000               | 2,050               | 50                        |
| General Municipal Pension System Aid       | 196,857             | 198,148             | 1,291                     |
| Marcellus Shell Impact Fee                 | 2,890               | 3,489               | 599                       |
| Foreign Fire Relief Insurance              | 18,355              | 18,245              | (110)                     |
| Payments In Lieu of Taxes                  | 2,000               | 6,535               | 4,535                     |
| Contract for Police Services Reimbursement | 10,000              | 12,550              | 2,550                     |
| Contract for Brackenridge Police Services  | -                   | 186,781             | 186,781                   |
| Contact for Breackenridge Administrative   | -                   | 14,955              | 14,955                    |
| <b>TOTAL INTERGOVERNMENTAL</b>             | <b>\$ 233,502</b>   | <b>\$ 514,097</b>   | <b>\$ 280,595</b>         |

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                       | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|-------------------------------------------------------|---------------------|---------------------|---------------------------|
| <b>CHARGES FOR SERVICES:</b>                          |                     |                     |                           |
| Public Hearing Fees                                   | \$ 850              | \$ 850              | \$ -                      |
| Sale of Zoning Ordinance                              | 15                  | -                   | (15)                      |
| Copies - of Municipal Records                         | 20                  | 55                  | 35                        |
| Real Estate Tax Liens                                 | 430                 | 800                 | 370                       |
| Tax Office Fees to School District                    | 650                 | 648                 | (2)                       |
| Leins Letters                                         | 6,493               | 5,355               | (1,138)                   |
| Copies - Accident Reports                             | 1,165               | 1,890               | 725                       |
| School Crossing Guards - Reimbursement                | 8,673               | 8,090               | (583)                     |
| Building Permits                                      | 2,500               | 6,411               | 3,911                     |
| PA UCC Fee                                            | -                   | -                   | -                         |
| Electrical Permit                                     | 300                 | 1,230               | 930                       |
| Occupancy Permits                                     | 14,000              | 20,550              | 6,550                     |
| Parking Meters                                        | -                   | -                   | -                         |
| Parking Permits                                       | 11,000              | 12,895              | 1,895                     |
| PennDOT Summer/Winter Maintenance                     | 18,280              | 17,903              | (377)                     |
| Solid Waste Collection                                | 532,361             | 560,289             | 27,928                    |
| Special Events Revenues                               | 4,000               | -                   | (4,000)                   |
| NSF Fees                                              | 3,000               | 1,867               | (1,133)                   |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 603,737</b>   | <b>\$ 638,833</b>   | <b>\$ 35,096</b>          |
| <b>MISCELLANEOUS</b>                                  |                     |                     |                           |
| Miscellaneous Income                                  | \$ 500              | \$ 182              | \$ (318)                  |
| Discount Amounts                                      | 10                  | 99                  | 89                        |
| UB Writeoff Account Balance                           | 100                 | 562                 | 462                       |
| Police Donation                                       | -                   | 13,896              | 13,896                    |
| <b>TOTAL MISCELLANEOUS</b>                            | <b>\$ 610</b>       | <b>\$ 14,739</b>    | <b>\$ 14,129</b>          |
| <b>OTHER FINANCING SOURCES:</b>                       |                     |                     |                           |
| Sale of Fixed Assets                                  | \$ -                | \$ 5,250            | \$ 5,250                  |
| Insurance Reimbursement for Fixed Assets              | -                   | 58,230              | 58,230                    |
| Insurance Reimbursement for Current Assets            | -                   | 1,830               | 1,830                     |
| Insurance Reimbursement for Workers Comp              | -                   | 16,571              | 16,571                    |
| Transfer from Electric (Power) Fund                   | 1,221,100           | 1,413,245           | 192,145                   |
| Transfer from Water Fund                              | -                   | 37,332              | 37,332                    |
| Transfer from Recreation Fund                         | -                   | 99                  | 99                        |
| Transfer from Sewer Fund                              | -                   | -                   | -                         |
| Transfer from Capital Reserves                        | 346,000             | -                   | (346,000)                 |
| Refund of Prior Years Expenditures                    | -                   | 5,345               | 5,345                     |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ 1,567,100</b> | <b>\$ 1,537,902</b> | <b>\$ (29,198)</b>        |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCING SOURCES</b> | <b>\$ 3,743,703</b> | <b>\$ 4,158,307</b> | <b>\$ 414,604</b>         |

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                      | BUDGET            | ACTUAL            | (OVER)<br>UNDER<br>BUDGET |
|--------------------------------------|-------------------|-------------------|---------------------------|
| <b>GENERAL GOVERNMENT:</b>           |                   |                   |                           |
| <b>LEGISLATIVE EXPENSES:</b>         |                   |                   |                           |
| Council - Salaries                   | \$ 4,375          | \$ 4,375          | \$ -                      |
| Council - Social Security            | 271               | 271               | 0                         |
| Council - Medicare                   | 63                | 64                | (1)                       |
| Council - Supplies                   | 50                | 147               | (97)                      |
| Council - Travel Expense             | 150               | 19                | 131                       |
| Council - Advertising                | 650               | 1,647             | (997)                     |
| Council - Codification               | 1,600             | -                 | 1,600                     |
| Council - Dues and Subscriptions     | 4,100             | 3,479             | 621                       |
| Council - Meetings and Conferences   | 1,000             | 622               | 378                       |
| Council - Hotel for Conf/Classes     | 700               | 491               | 209                       |
| <b>TOTAL LEGISLATIVE EXPENSES</b>    | <b>\$ 12,960</b>  | <b>\$ 11,115</b>  | <b>\$ 1,845</b>           |
| <b>ADMINISTRATIVE EXPENSES:</b>      |                   |                   |                           |
| Mayor - Salary                       | \$ 625            | \$ 625            | \$ -                      |
| Mayor - Social Security              | 39                | 39                | (0)                       |
| Mayor - Medicare                     | 9                 | 9                 | 0                         |
| Mayor - Dues and Subscriptions       | 50                | 37                | 13                        |
| Mayor - Meetings and Conferences     | 100               | -                 | 100                       |
| Accounting and Auditing              | 3,750             | 4,012             | (262)                     |
| NSF Charge to Customer               | 250               | 96                | 154                       |
| Bank Service Fees                    | 6,314             | 6,260             | 54                        |
| Manager - Salary                     | 29,667            | 29,664            | 3                         |
| Manager - Life Insurance             | 53                | 53                | (0)                       |
| Manager - Pension Retirement         | 4,539             | 3,427             | 1,112                     |
| Manager - FICA                       | 1,839             | 1,839             | 0                         |
| Manager - Medicare                   | 430               | 430               | 0                         |
| Manager - Unemployment Compensation  | 95                | 95                | -                         |
| Manager - Workers Compensation       | 54                | 40                | 14                        |
| Manager - Travel Expense             | 150               | -                 | 150                       |
| Manager - Bond                       | 165               | 217               | (52)                      |
| Manager - Dues and Subscriptions     | 500               | 199               | 301                       |
| Manager - Meeting and Conference     | 500               | 475               | 25                        |
| Office - Salary                      | 19,599            | 19,582            | 17                        |
| Office - Wages                       | 18,699            | 18,751            | (52)                      |
| Office - Dental Insurance            | 181               | 181               | 0                         |
| Office - Vision Insurance            | 36                | 36                | -                         |
| Office - Health Insurance            | 9,253             | 9,370             | (117)                     |
| Office - Life Insurance              | 106               | 106               | (0)                       |
| Office - Pension Retirement          | 9,077             | 6,853             | 2,224                     |
| Office - Overtime                    | 250               | 55                | 195                       |
| Office - Uniform Allowance           | -                 | 167               | (167)                     |
| Office - FICA                        | 2,482             | 2,380             | 102                       |
| Office - Medicare                    | 580               | 557               | 23                        |
| Office - Unemployment Compensation   | 190               | 190               | -                         |
| Office - Meals/Workers Compensation  | 68                | 50                | 18                        |
| Office - Office Supplies             | 667               | 1,610             | (943)                     |
| Office - Billing Forms               | 500               | 757               | (257)                     |
| Office - Computer Software           | 2,000             | 2,327             | (327)                     |
| Office - Professional Services       | -                 | 66                | (66)                      |
| Office - Phones                      | 1,550             | 1,763             | (213)                     |
| Office - Postage                     | 5,633             | 5,874             | (241)                     |
| Office - Travel                      | 50                | 22                | 28                        |
| Office - Printing                    | 1,500             | 1,159             | 341                       |
| Office - Copier Lease                | 2,357             | 2,668             | (311)                     |
| Office - Postage Meter Rental        | 1,960             | 1,959             | 1                         |
| Office - Dues and Subscriptions      | 18,500            | 13,576            | 4,924                     |
| Office - Computer Maintenance        | 1,750             | 1,581             | 169                       |
| Office - Meetings and Conferences    | 150               | 260               | (110)                     |
| Office - Equipment New               | 1,500             | 1,471             | 29                        |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b> | <b>\$ 147,768</b> | <b>\$ 141,016</b> | <b>\$ 6,752</b>           |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                            | BUDGET            | ACTUAL            | (OVER)<br>UNDER<br>BUDGET |
|--------------------------------------------|-------------------|-------------------|---------------------------|
| <b>GENERAL GOVERNMENT: (Continued)</b>     |                   |                   |                           |
| <b>TAX COLLECTION:</b>                     |                   |                   |                           |
| Tax Collection - Commissions               | \$ 20,000         | \$ 17,506         | \$ 2,494                  |
| Tax Collection - FICA                      | 1,240             | 1,085             | 155                       |
| Tax Collection - Medicare                  | 290               | 254               | 36                        |
| Tax Collection - Office Supplies           | 500               | 444               | 56                        |
| Tax Collection - Phone & Internet          | 406               | 598               | (192)                     |
| Tax Collection - Postage                   | 800               | 883               | (83)                      |
| Tax Collection - Printing                  | 250               | -                 | 250                       |
| Tax Collection - Bond                      | 250               | 145               | 105                       |
| Tax Collection - Maintenance Computer      | 450               | 195               | 255                       |
| Tax Collection - Dues and Subscriptions    | 1,500             | 196               | 1,304                     |
| Tax Collection - Equipment/Computer        | 1,500             | 1,200             | 300                       |
| <b>TOTAL TAX COLLECTION</b>                | <b>\$ 27,186</b>  | <b>\$ 22,506</b>  | <b>\$ 4,680</b>           |
| <b>SOLICITOR:</b>                          |                   |                   |                           |
| Solicitor - Fees / Other Legal Fees        | \$ 7,500          | \$ 14,987         | \$ (7,487)                |
| Other Professional Legal Services          | -                 | 2,170             | (2,170)                   |
| <b>TOTAL SOLICITOR</b>                     | <b>\$ 7,500</b>   | <b>\$ 17,157</b>  | <b>\$ (9,657)</b>         |
| <b>MUNICIPAL BUILDING:</b>                 |                   |                   |                           |
| Building - Supplies                        | \$ 500            | \$ 533            | \$ (33)                   |
| Building - Cleaning Services               | 1,734             | 1,717             | 17                        |
| Building - Insurance Appraisal             | 400               | -                 | 400                       |
| Building - Electricity                     | 2,250             | 1,985             | 265                       |
| Building - Natural Gas                     | 500               | 261               | 239                       |
| Building - Sewer                           | 120               | 116               | 4                         |
| Building - Repairs and Maintenance         | 1,200             | 4,838             | (3,638)                   |
| Building - Improvements                    | 3,000             | 4,331             | (1,331)                   |
| Building - Machinery & Equipment           | 1,000             | 406               | 594                       |
| Building - Furniture & Equipment           | 1,667             | 341               | 1,326                     |
| <b>TOTAL MUNICIPAL BUILDING</b>            | <b>\$ 12,371</b>  | <b>\$ 14,528</b>  | <b>\$ (2,157)</b>         |
| <b>TOTAL GENERAL GOVERNMENT</b>            | <b>\$ 207,784</b> | <b>\$ 206,322</b> | <b>\$ 1,462</b>           |
| <b>PUBLIC SAFETY:</b>                      |                   |                   |                           |
| <b>POLICE PROTECTION:</b>                  |                   |                   |                           |
| Police - Police Chief Salary               | \$ 98,697         | \$ 98,625         | \$ 72                     |
| Police - Patrolmen Salaries                | 702,463           | 827,139           | (124,676)                 |
| Police - Widows Accidental Death Insurance | 701               | 751               | (50)                      |
| Police - Dental Insurance                  | 9,552             | 10,511            | (959)                     |
| Police - Vision Insurance                  | 1,300             | 1,453             | (153)                     |
| Police - Health Insurance                  | 153,864           | 147,232           | 6,632                     |
| Police - Life Insurance                    | 1,980             | 5,009             | (3,029)                   |
| Police - Pension/Retirement                | 133,405           | 133,405           | -                         |
| Police - Training                          | 1,500             | 2,371             | (871)                     |
| Police - Longevity Pay                     | 3,085             | 3,610             | (525)                     |
| Police - Overtime Wages                    | 60,000            | 86,208            | (26,208)                  |
| Police - Drug Task Force Wages             | 12,000            | 6,419             | 5,581                     |
| Police - Holiday O/T                       | 38,232            | 25,581            | 12,651                    |
| Police - Uniform Allowance                 | 12,500            | 10,996            | 1,504                     |
| Police - FICA                              | 56,550            | 63,080            | (6,530)                   |
| Police - Medicare                          | 13,225            | 14,753            | (1,528)                   |
| Police - Unemployment Compensation         | 2,850             | 4,508             | (1,658)                   |
| Police - Meals / Workers Compensation      | 42,271            | 32,119            | 10,152                    |
| Police - Office Supplies                   | 600               | 578               | 22                        |
| Police - Forms                             | 700               | 234               | 466                       |
| Police - Meals                             | 200               | 289               | (89)                      |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                               | BUDGET              | ACTUAL              | (OVER)<br>UNDER<br>BUDGET |
|-----------------------------------------------|---------------------|---------------------|---------------------------|
| <b>PUBLIC SAFETY: (Continued)</b>             |                     |                     |                           |
| <b>POLICE PROTECTION: (Continued)</b>         |                     |                     |                           |
| Police - Vehicle Fuel - Gas                   | \$ 13,000           | \$ 13,389           | \$ (389)                  |
| Police - Building Supplies                    | 500                 | 2,942               | (2,442)                   |
| Police - Ammos                                | 3,000               | 3,389               | (389)                     |
| Police - Operating Supplies                   | 2,000               | 2,548               | (548)                     |
| Police - Brakenridge Merger Costs             | 1,500               | 14,821              | (13,321)                  |
| Police - Vehicle Maintenance                  | 13,000              | 13,676              | (676)                     |
| Police - Small Tools/Equipment                | 800                 | 928                 | (128)                     |
| Police - Computer Software                    | 500                 | 1,375               | (875)                     |
| Police - Medical Services                     | 300                 | 780                 | (480)                     |
| Police - Telephone                            | 2,964               | 3,592               | (628)                     |
| Police - Cell Phone                           | 564                 | 609                 | (45)                      |
| Police - Postage                              | 100                 | 247                 | (147)                     |
| Police - Radio Equipment Maintenance          | 2,000               | -                   | 2,000                     |
| Police - Wireless Aircards                    | 1,440               | 1,878               | (438)                     |
| Police - Travel Expense                       | 1,000               | 288                 | 712                       |
| Police - Advertising                          | -                   | 129                 | (129)                     |
| Police - Professional Liabilities             | 675                 | 1,960               | (1,285)                   |
| Police - Camera Repairs and Maintenance       | 10,000              | 3,750               | 6,250                     |
| Police - Copier Rental                        | 3,856               | 4,311               | (455)                     |
| Police - Dues/Subscriptions/Bonds             | 9,800               | 11,849              | (2,049)                   |
| Police - Contracted Services                  | 1,700               | -                   | 1,700                     |
| Police - Computer Maintenance                 | 4,500               | -                   | 4,500                     |
| Police - Meetings and Conferences             | 350                 | 495                 | (145)                     |
| Police - Equipment Purchased                  | 2,000               | 15,741              | (13,741)                  |
| Police - Tactical Equipment                   | 20,000              | 6,595               | 13,405                    |
| <b>TOTAL POLICE PROTECTION</b>                | <b>\$ 1,441,224</b> | <b>\$ 1,587,040</b> | <b>\$ (145,816)</b>       |
| <b>FIRE DEPARTMENT:</b>                       |                     |                     |                           |
| Fire - Vehicle Fuel Eureka                    | \$ 3,000            | \$ 3,000            | \$ -                      |
| Fire - Vehicle Fuel Highlands                 | 3,000               | 3,000               | -                         |
| Fire - Vehicle Fuel Summit                    | 3,000               | 3,000               | -                         |
| Fire - Truck Repairs                          | 12,000              | 5,425               | 6,575                     |
| Fire - Truck Insurance                        | 5,224               | 6,131               | (907)                     |
| Fire - Workers Compensation                   | 13,080              | 10,926              | 2,154                     |
| Fire - Error and Omissions Insurance          | 3,516               | 3,566               | (50)                      |
| Fire - Building Repairs                       | 4,200               | 29,932              | (25,732)                  |
| Fire - Contribution Relief Funds              | 19,640              | 18,245              | 1,395                     |
| Fire - Contribution - Eureka                  | 12,500              | 12,500              | -                         |
| Fire - Contribution - Highland Hose           | 12,500              | 12,500              | -                         |
| Fire - Contribution - Summit Hose             | 12,500              | 12,500              | -                         |
| <b>TOTAL FIRE DEPARTMENT</b>                  | <b>\$ 104,160</b>   | <b>\$ 120,725</b>   | <b>\$ (16,565)</b>        |
| <b>BUILDING, PLANNING AND ZONING:</b>         |                     |                     |                           |
| Code Enforcement - Officer Salary             | \$ 61,405           | \$ 61,822           | \$ (417)                  |
| Code Enforcement - Admin Assistance           | 35,000              | 23,640              | 11,360                    |
| Code Enforcement - Dental Insurance           | 544                 | 272                 | 272                       |
| Code Enforcement - Vision Insurance           | 108                 | 54                  | 54                        |
| Code Enforcement - Health Insurance           | 36,078              | 15,230              | 20,848                    |
| Code Enforcement - Life Insurance             | 317                 | 172                 | 145                       |
| Code Enforcement - Pension                    | 13,616              | 10,280              | 3,336                     |
| Code Enforcement - Uniform Maintenance        | 300                 | 500                 | (200)                     |
| Code Enforcement - FICA                       | 5,977               | 5,299               | 678                       |
| Code Enforcement - Medicare                   | 1,398               | 1,239               | 159                       |
| Code Enforcement - Unemployment Compensation  | 570                 | 622                 | (52)                      |
| Code Enforcement - Meals/Workers Compensation | 4,038               | 3,178               | 860                       |
| Code Enforcement - Office Supplies            | 300                 | 750                 | (450)                     |
| Code Enforcement - Forms                      | 300                 | -                   | 300                       |
| Code Enforcement - Fuel                       | 1,500               | 1,351               | 149                       |
| Code Enforcement - Operating Supplies         | 200                 | -                   | 200                       |
| Code Enforcement - Vehicle Repair             | 800                 | 801                 | (1)                       |
| Code Enforcement - Small Tools                | 100                 | -                   | 100                       |
| Code Enforcement - Professional Services      | 7,000               | 13,415              | (6,415)                   |
| Code Enforcement - Telephone                  | 624                 | 598                 | 26                        |
| Code Enforcement - Cell Phone                 | 550                 | 506                 | 44                        |
| Code Enforcement Postage                      | 2,500               | 666                 | 1,834                     |
| Code Enforcement - Travel Express             | 500                 | -                   | 500                       |
| Code Enforcement - Printing                   | 150                 | 160                 | (10)                      |
| Code Enforcement - Dues and Subscriptions     | 250                 | 1,834               | (1,584)                   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                   | BUDGET              | ACTUAL              | (OVER)<br>UNDER<br>BUDGET |
|---------------------------------------------------|---------------------|---------------------|---------------------------|
| <b>PUBLIC SAFETY: (Continued)</b>                 |                     |                     |                           |
| <b>BUILDING, PLANNING AND ZONING: (Continued)</b> |                     |                     |                           |
| Code Enforcement - Computer Maintenance           | \$ 500              | \$ -                | \$ 500                    |
| Code Enforcement - Meetings and Conference        | 500                 | 205                 | 295                       |
| Code Enforcement - New Equipment                  | 300                 | 1,538               | (1,238)                   |
| Zoning - Forms                                    | 500                 | -                   | 500                       |
| Zoning - Planning Mapping Design                  | 893                 | 1,712               | (819)                     |
| Zoning - Supplies                                 | 1,000               | -                   | 1,000                     |
| Demolition                                        | 75,000              | 52,943              | 22,057                    |
| Property & Redevelopment                          | 50,000              | 1,232               | 48,768                    |
| Zoning - Public Hearing                           | 3,500               | 1,733               | 1,767                     |
| <b>TOTAL BUILDING PLANNING AND ZONING</b>         | <b>\$ 306,318</b>   | <b>\$ 201,752</b>   | <b>\$ 104,566</b>         |
| <b>EMERGENCY MANAGEMENT:</b>                      |                     |                     |                           |
| Emg Mgmt - Training                               | \$ -                | \$ 150              | \$ (150)                  |
| Emg Mgmt - Supplies                               | -                   | 185                 | (185)                     |
| Emg Mgmt - Cell Phone                             | -                   | 331                 | (331)                     |
| Emg Mgmt - Dues and Subscriptions                 | -                   | 3,590               | (3,590)                   |
| Emergency Mangement                               | 2,950               | 5,397               | (2,447)                   |
| Emg Mgmt - Tools                                  | -                   | 414                 | (414)                     |
| <b>TOTAL EMERGENCY MANAGEMENT</b>                 | <b>\$ 2,950</b>     | <b>\$ 10,067</b>    | <b>\$ (7,117)</b>         |
| <b>ANIMAL/PEST CONTROL:</b>                       |                     |                     |                           |
| Animal Control Fees                               | \$ 2,500            | \$ 2,320            | \$ 180                    |
| Pest Control Fees                                 | 975                 | 611                 | 364                       |
| <b>TOTAL ANIMAL/PEST CONTROL</b>                  | <b>\$ 3,475</b>     | <b>\$ 2,931</b>     | <b>\$ 544</b>             |
| <b>CROSSING GUARD:</b>                            |                     |                     |                           |
| Crossing Guard - Wages                            | \$ 13,860           | \$ 13,946           | \$ (86)                   |
| Crossing Guard - Uniforms                         | 50                  | -                   | 50                        |
| Crossing Guard - FICA                             | 859                 | 865                 | (6)                       |
| Crossing Guard - Medicare                         | 201                 | 202                 | (1)                       |
| Crossing Guard - Unemployment Compensation        | 395                 | 390                 | 5                         |
| Crossing Guard - Workers Compensation             | 1,332               | 585                 | 747                       |
| Crossing Guard - Electric                         | 650                 | 200                 | 450                       |
| <b>TOTAL CROSSING GUARD</b>                       | <b>\$ 17,348</b>    | <b>\$ 16,188</b>    | <b>\$ 1,160</b>           |
| <b>TOTAL PUBLIC SAFETY</b>                        | <b>\$ 1,875,474</b> | <b>\$ 1,938,703</b> | <b>\$ (63,229)</b>        |
| <b>PUBLIC WORKS:</b>                              |                     |                     |                           |
| <b>SANITATION:</b>                                |                     |                     |                           |
| Rubbish - Collection Expense                      | \$ 480,091          | \$ 587,567          | \$ (107,476)              |
| <b>TOTAL SANITATION</b>                           | <b>\$ 480,091</b>   | <b>\$ 587,567</b>   | <b>\$ (107,476)</b>       |
| <b>HIGHWAYS:</b>                                  |                     |                     |                           |
| Streets - DPW Salary                              | \$ 24,013           | \$ 24,000           | \$ 13                     |
| Streets - Part Time Wages                         | 21,000              | 12,306              | 8,694                     |
| Streets - Wages                                   | 340,142             | 324,851             | 15,291                    |
| Streets - Dental Insurance                        | 1,723               | 1,683               | 40                        |
| Streets - Vision Insurance                        | 342                 | 334                 | 8                         |
| Streets - Health Insurance                        | 66,495              | 69,572              | (3,077)                   |
| Streets - Life Insurance                          | 1,003               | 1,016               | (13)                      |
| Street - Pension                                  | 86,235              | 71,959              | 14,276                    |
| Streets - Training                                | 500                 | -                   | 500                       |
| Streets - Overtime                                | 9,821               | 8,913               | 908                       |
| Streets - Uniform Allowance                       | 2,100               | 3,767               | (1,667)                   |
| Streets - FICA                                    | 24,520              | 22,874              | 1,646                     |
| Streets - Medicare                                | 5,734               | 5,350               | 384                       |
| Streets - Unemployment Compensation               | 1,805               | 2,432               | (627)                     |
| Streets - Workers Compensation                    | 25,434              | 21,180              | 4,254                     |
| Streets - Office Supplies                         | 500                 | 327                 | 173                       |
| Streets - Meals                                   | 200                 | 108                 | 92                        |
| Streets - Fuel                                    | 10,000              | 10,283              | (283)                     |
| Streets - Building Supplies                       | 500                 | 583                 | (83)                      |
| Streets - Supplies                                | 5,171               | 8,144               | (2,973)                   |
| Streets - Vehicle Repair                          | 13,500              | 16,703              | (3,203)                   |
| Streets - Small Tools/Equipment                   | 4,000               | 372                 | 3,628                     |
| Streets - Computers Equipment/Repairs             | 500                 | -                   | 500                       |
| Streets - Emergency Service                       | 10,000              | -                   | 10,000                    |
| Streets - Professional Fees                       | 3,500               | 1,034               | 2,466                     |
| Streets - Engineering                             | 500                 | 8,612               | (8,112)                   |
| Streets - Permits                                 | 100                 | -                   | 100                       |
| Streets - Telephones                              | 2,304               | 2,479               | (175)                     |
| Streets - Cell Phones                             | 480                 | 480                 | -                         |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                | BUDGET              | ACTUAL              | (OVER)<br>UNDER<br>BUDGET |
|------------------------------------------------|---------------------|---------------------|---------------------------|
| <b>PUBLIC WORKS: (Continued)</b>               |                     |                     |                           |
| <b>HIGHWAYS: (Continued)</b>                   |                     |                     |                           |
| Streets - Radio Equipment Maintenance          | \$ 1,000            | \$ -                | \$ 1,000                  |
| Streets - Travel                               | 150                 | 37                  | 113                       |
| Streets - Advertising                          | -                   | 326                 | (326)                     |
| Streets - Electric                             | 1,285               | 1,523               | (238)                     |
| Streets - Natural Gas                          | 1,889               | 1,270               | 619                       |
| Streets - Sewage                               | 174                 | 262                 | (88)                      |
| Streets - Building Repair and Maintenance      | 10,000              | 3,311               | 6,689                     |
| Streets - Repairs to Machines                  | 1,000               | 1,093               | (93)                      |
| Streets - Rail Land Lease                      | 248                 | 816                 | (568)                     |
| Streets - Dues and Subscriptions               | 708                 | 1,699               | (991)                     |
| Streets - Computers Equipment/Repairs          | 500                 | 463                 | 37                        |
| Streets - Meeting and Conference               | 750                 | 65                  | 685                       |
| Streets - Building Improvements                | -                   | 1,359               | (1,359)                   |
| Streets - Vehicle                              | -                   | 57,508              | (57,508)                  |
| Streets - Equipment                            | 8,000               | 2,482               | 5,518                     |
| Streets - New Equipment & Power Tools          | 5,000               | 4,423               | 577                       |
| Streets - Sweeper Fuel                         | 921                 | 795                 | 126                       |
| Streets - Cleaning Sweeper Repair              | 8,200               | 23,493              | (15,293)                  |
| Snow - Salt and Deicing Materials              | 20,000              | 21,236              | (1,236)                   |
| Snow - Repairs                                 | 800                 | 4,347               | (3,547)                   |
| Snow - Machinery                               | -                   | -                   | -                         |
| Snow - Machinery Purchase                      | 8,000               | 6,940               | 1,060                     |
| Street Signs                                   | 6,000               | 4,583               | 1,417                     |
| Traffic - Supplies - Paint                     | 2,000               | 587                 | 1,413                     |
| Traffic - Street Maintenance Service           | -                   | 371                 | (371)                     |
| Streets - Roads (Repairs Paving & Supplies)    | 75,000              | 82,158              | (7,158)                   |
| Streets - Roads & Bridges, Eng & Arch Scs      | 1,000               | 2,546               | (1,546)                   |
| <b>TOTAL HIGHWAYS</b>                          | <b>\$ 814,747</b>   | <b>\$ 843,055</b>   | <b>\$ (28,308)</b>        |
| <b>TOTAL PUBLIC WORKS</b>                      | <b>\$ 1,294,838</b> | <b>\$ 1,430,622</b> | <b>\$ (135,784)</b>       |
| <b>CULTURE AND RECREATION:</b>                 |                     |                     |                           |
| <b>PARKS &amp; RECREATION:</b>                 |                     |                     |                           |
| Recreational - Building Repair and Improvement | \$ 2,000            | \$ 127              | \$ 1,873                  |
| Special Events Committee - Contribution        | 4,500               | -                   | 4,500                     |
| Recreational Construction - Professional Fees  | 1,500               | 10,991              | (9,491)                   |
| Recreational Construction - Project Cost       | 2,000               | 12,238              | (10,238)                  |
| Recreational - Playground/Pools Repairs        | 3,000               | 5,491               | (2,491)                   |
| Parks - Gasoline                               | 3,600               | 2,976               | 624                       |
| Parks - Supplies                               | 1,200               | 2,874               | (1,674)                   |
| Parks - Vehicle Repairs                        | 373                 | 61                  | 312                       |
| Parks - Mower & Yard Equipment Repairs         | 1,243               | 23                  | 1,220                     |
| Parks - Engineering                            | -                   | 669                 | (669)                     |
| Parks - Electric                               | 1,944               | 1,124               | 820                       |
| Parks - Water                                  | 12                  | 29                  | (17)                      |
| Parks - Repairs and Maintenance                | 2,694               | 9,347               | (6,653)                   |
| Parks - Port a Johns                           | 2,280               | -                   | 2,280                     |
| Parks - Machinery Purchase                     | -                   | 8,700               | (8,700)                   |
| Parks - Small Equipment Purchase               | 2,352               | 480                 | 1,872                     |
| Celebrations - Supplies                        | 2,100               | 3,858               | (1,758)                   |
| <b>TOTAL PARKS AND RECREATION</b>              | <b>\$ 39,798</b>    | <b>\$ 58,988</b>    | <b>\$ (19,190)</b>        |
| <b>TOTAL CULTURE AND RECREATION</b>            | <b>\$ 39,798</b>    | <b>\$ 58,988</b>    | <b>\$ (19,190)</b>        |
| <b>COMMUNITY DEVELOPMENT:</b>                  |                     |                     |                           |
| Towns - Landscape Supplies                     | \$ 10,000           | \$ 12,486           | \$ (2,486)                |
| Environmental Advisory Council Services        | 500                 | -                   | 500                       |
| Business Advisory Committee Services           | 500                 | -                   | 500                       |
| CDBG - General Construction                    | 75,000              | -                   | 75,000                    |
| Community Development - Planning               | 12,000              | 13,000              | (1,000)                   |
| <b>TOTAL COMMUNITY DEVELOPMENT</b>             | <b>\$ 101,000</b>   | <b>\$ 25,486</b>    | <b>\$ 75,514</b>          |

The accompanying notes are an integral part of these financial statements



**BOROUGH OF TARENTUM**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                              | BUDGET              | ACTUAL              | (OVER)<br>UNDER<br>BUDGET |
|----------------------------------------------|---------------------|---------------------|---------------------------|
| <b>DEBT SERVICE:</b>                         |                     |                     |                           |
| General Obligation Note Principal            | \$ 97,136           | \$ -                | \$ 97,136                 |
| General Obligation Debt Interest             | 57,605              | -                   | 57,605                    |
| <b>TOTAL DEBT SERVICE</b>                    | <b>\$ 154,741</b>   | <b>\$ -</b>         | <b>\$ 154,741</b>         |
| <b>EMPLOYEE BENEFITS AND INSURANCE:</b>      |                     |                     |                           |
| Pension Plans Fees                           | \$ 40               | \$ 40               | \$ -                      |
| Insurance                                    | 48,265              | 55,651              | (7,386)                   |
| Retiree - Health Insurance                   | 12,533              | -                   | 12,533                    |
| Retiree - Life Insurance                     | 1,140               | 1,032               | 108                       |
| Medical Deductible Reimbursements            | -                   | 67,115              | (67,115)                  |
| <b>TOTAL EMPLOYEE BENEFITS AND INSURANCE</b> | <b>\$ 61,978</b>    | <b>\$ 130,841</b>   | <b>\$ (68,863)</b>        |
| <b>MISCELLANEOUS</b>                         |                     |                     |                           |
| Miscellaneous Expense                        | \$ 100              | \$ 793              | \$ (693)                  |
| <b>TOTAL MISCELLANEOUS</b>                   | <b>\$ 100</b>       | <b>\$ 793</b>       | <b>\$ (693)</b>           |
| <b>OTHER FINANCING USES:</b>                 |                     |                     |                           |
| Transfer to Recreation Fund                  | \$ -                | \$ 9,000            | \$ (9,000)                |
| Transfer to Capital Reserve                  | -                   | 278,872             | (278,872)                 |
| Transfer to Water Fund                       | -                   | 28,803              | (28,803)                  |
| Transfer to Storm Sewer Fund                 | -                   | 147,126             | (147,126)                 |
| Refund of Prior Year Revenue                 | 5,646               | -                   | 5,646                     |
| Refund of Prior Year Revenues - Taxes        | -                   | 1,589               | (1,589)                   |
| <b>TOTAL OTHER FINANCING USES</b>            | <b>\$ 5,646</b>     | <b>\$ 465,390</b>   | <b>\$ (459,744)</b>       |
| <b>TOTAL EXPENDITURES</b>                    | <b>\$ 3,741,359</b> | <b>\$ 4,257,145</b> | <b>\$ (515,786)</b>       |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                | <b><u>LIQUID FUELS<br/>FUND</u></b> | <b><u>RECREATION<br/>FUND</u></b> | <b><u>TOTAL NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u></b> |
|------------------------------------------------|-------------------------------------|-----------------------------------|----------------------------------------------------------|
| <b>ASSETS:</b>                                 |                                     |                                   |                                                          |
| Cash and Cash Equivalents                      | \$ 32,959                           | \$ 13,896                         | \$ 46,855                                                |
| <b>TOTAL ASSETS</b>                            | <b><u>\$ 32,959</u></b>             | <b><u>\$ 13,896</u></b>           | <b><u>\$ 46,855</u></b>                                  |
| <b>LIABILITIES AND FUND BALANCE:</b>           |                                     |                                   |                                                          |
| <b>LIABILITIES:</b>                            |                                     |                                   |                                                          |
| Accounts Payable                               | \$ 30,570                           | \$ -                              | \$ 30,570                                                |
| <b>TOTAL LIABILITIES</b>                       | <b><u>\$ 30,570</u></b>             | <b><u>\$ -</u></b>                | <b><u>\$ 30,570</u></b>                                  |
| <b>FUND BALANCES:</b>                          |                                     |                                   |                                                          |
| Restricted                                     | \$ 2,389                            | \$ -                              | \$ 2,389                                                 |
| Assigned                                       | -                                   | 13,896                            | 13,896                                                   |
| <b>TOTAL FUND BALANCES</b>                     | <b><u>\$ 2,389</u></b>              | <b><u>\$ 13,896</u></b>           | <b><u>\$ 16,285</u></b>                                  |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b><u>\$ 32,959</u></b>             | <b><u>\$ 13,896</u></b>           | <b><u>\$ 46,855</u></b>                                  |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF TARENTUM**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|                                                       | LIQUID FUELS<br>FUND | RECREATION<br>FUND | TOTAL               |
|-------------------------------------------------------|----------------------|--------------------|---------------------|
| <b><u>REVENUES:</u></b>                               |                      |                    |                     |
| Interest                                              | \$ 1,050             | \$ 138             | \$ 1,188            |
| Intergovernmental                                     | 133,585              | -                  | 133,585             |
| Charges for Services                                  | -                    | 3,221              | 3,221               |
| Donations                                             | -                    | 12,980             | 12,980              |
| Miscellaneous                                         | -                    | 1,546              | 1,546               |
| <b>TOTAL REVENUES</b>                                 | <b>\$ 134,635</b>    | <b>\$ 17,885</b>   | <b>\$ 152,520</b>   |
| <b><u>OTHER FINANCING SOURCES:</u></b>                |                      |                    |                     |
| Transfer from Other Funds                             | \$ -                 | \$ 9,000           | \$ 9,000            |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ -</b>          | <b>\$ 9,000</b>    | <b>\$ 9,000</b>     |
| <b>TOTAL REVENUES AND OTHER<br/>FINANCING SOURCES</b> | <b>\$ 134,635</b>    | <b>\$ 26,885</b>   | <b>\$ 161,520</b>   |
| <b><u>EXPENDITURES:</u></b>                           |                      |                    |                     |
| Public Works                                          | \$ 253,638           | \$ -               | \$ 253,638          |
| Culture and Recreation                                | -                    | 26,704             | 26,704              |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$ 253,638</b>    | <b>\$ 26,704</b>   | <b>\$ 280,342</b>   |
| <b><u>OTHER FINANCING USES:</u></b>                   |                      |                    |                     |
| Transfer to General Fund                              | \$ -                 | \$ (100)           | \$ (100)            |
| <b>TOTAL OTHER FINANCING USES</b>                     | <b>\$ -</b>          | <b>\$ (100)</b>    | <b>\$ (100)</b>     |
| <b>EXCESS REVENUES OVER<br/>(UNDER) EXPENDITURES</b>  | <b>\$ (119,003)</b>  | <b>\$ 81</b>       | <b>\$ (118,922)</b> |
| FUND BALANCE - January 1, 2023                        | 74,528               | 9,168              | 83,696              |
| <b>Prior Period Adjustment</b>                        | 46,864               | 4,647              | 51,511              |
| <b>FUND BALANCE - December 31, 2023</b>               | <b>\$ 2,389</b>      | <b>\$ 13,896</b>   | <b>\$ 16,285</b>    |

The accompanying notes are an integral part of these financial statements

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**BOROUGH OF TARENTUM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (POLICE PENSION PLAN)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                                        | <u>12/31/2023</u>   | <u>12/31/2022</u>   | <u>12/31/2021</u>   | <u>12/31/2020</u>   | <u>12/31/2019</u>   | <u>12/31/2018</u>   | <u>12/31/2017</u>   | <u>12/31/2016</u>   | <u>12/31/2015</u>   | <u>12/31/2014</u>   |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total pension liability-beginning</b>                               | \$ 3,816,245        | \$ 3,642,758        | \$ 3,373,117        | \$ 3,029,330        | \$ 2,780,415        | \$ 2,631,807        | \$ 2,443,183        | \$ 2,413,034        | \$ 2,231,859        | \$ 2,242,061        |
| Service Cost                                                           | 136,177             | 138,895             | 136,933             | 116,635             | 112,148             | 88,165              | 84,774              | 96,355              | 91,768              | 89,989              |
| Interest                                                               | 263,872             | 245,396             | 237,655             | 202,391             | 193,652             | 177,431             | 174,749             | 148,224             | 153,749             | 169,996             |
| Changes of benefit terms                                               | 515,316             | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Experience (gain)/loss                                                 | 64,731              | (227,562)           | -                   | 39,924              | -                   | (45,592)            | -                   | (99,212)            | 6,557               | (243,613)           |
| Assumption (gain)/loss                                                 | -                   | 109,108             | -                   | 53,738              | -                   | (1,665)             | -                   | (44,319)            | -                   | 66,326              |
| Benefit payments                                                       | (89,831)            | (92,350)            | (104,947)           | (68,901)            | (56,885)            | (69,731)            | (70,899)            | (70,899)            | (70,899)            | (92,900)            |
| Net change in total pension liability                                  | <u>\$ 890,265</u>   | <u>\$ 173,487</u>   | <u>\$ 269,641</u>   | <u>\$ 343,787</u>   | <u>\$ 248,915</u>   | <u>\$ 148,608</u>   | <u>\$ 188,624</u>   | <u>\$ 30,149</u>    | <u>\$ 181,175</u>   | <u>\$ (10,202)</u>  |
| Total pension liability-ending                                         | <u>\$ 4,706,510</u> | <u>\$ 3,816,245</u> | <u>\$ 3,642,758</u> | <u>\$ 3,373,117</u> | <u>\$ 3,029,330</u> | <u>\$ 2,780,415</u> | <u>\$ 2,631,807</u> | <u>\$ 2,443,183</u> | <u>\$ 2,413,034</u> | <u>\$ 2,231,859</u> |
| Plan fiduciary net position-beginning                                  | \$ 3,373,625        | \$ 4,055,643        | \$ 3,573,998        | \$ 3,145,654        | \$ 2,580,281        | \$ 2,745,518        | \$ 2,338,178        | \$ 2,227,027        | \$ 2,259,510        | \$ 2,207,626        |
| Contributions-employer                                                 | 648,721             | 137,005             | 120,265             | 109,148             | 91,556              | 73,327              | 66,466              | 63,110              | 81,285              | 69,321              |
| Contributions-member                                                   | -                   | -                   | -                   | -                   | -                   | -                   | 27,928              | -                   | -                   | -                   |
| Net investment income                                                  | 560,814             | (704,560)           | 491,309             | 405,861             | 549,727             | (153,330)           | 400,935             | 132,657             | (32,095)            | 77,331              |
| Benefit payments                                                       | (89,831)            | (92,350)            | (104,947)           | (68,901)            | (56,885)            | (69,731)            | (70,899)            | (70,899)            | (70,899)            | (92,900)            |
| Actuarial costs                                                        | (5,440)             | (3,331)             | (5,300)             | (2,190)             | (4,344)             | (1,239)             | (4,221)             | (1,869)             | (3,700)             | (1,868)             |
| Other                                                                  | (18,971)            | (18,782)            | (19,682)            | (15,574)            | (14,681)            | (14,264)            | (12,869)            | (11,848)            | (7,074)             | -                   |
| Change in plan fiduciary net position                                  | <u>\$ 1,095,293</u> | <u>\$ (682,018)</u> | <u>\$ 481,645</u>   | <u>\$ 428,344</u>   | <u>\$ 565,373</u>   | <u>\$ (165,237)</u> | <u>\$ 407,340</u>   | <u>\$ 111,151</u>   | <u>\$ (32,483)</u>  | <u>\$ 51,884</u>    |
| Plan fiduciary net position-ending                                     | <u>\$ 4,468,918</u> | <u>\$ 3,373,625</u> | <u>\$ 4,055,643</u> | <u>\$ 3,573,998</u> | <u>\$ 3,145,654</u> | <u>\$ 2,580,281</u> | <u>\$ 2,745,518</u> | <u>\$ 2,338,178</u> | <u>\$ 2,227,027</u> | <u>\$ 2,259,510</u> |
| Net pension liability-beginning                                        | <u>\$ 442,620</u>   | <u>\$ (412,885)</u> | <u>\$ (200,881)</u> | <u>\$ (116,324)</u> | <u>\$ 200,134</u>   | <u>\$ (113,711)</u> | <u>\$ 105,005</u>   | <u>\$ 186,007</u>   | <u>\$ (27,651)</u>  | <u>\$ 34,435</u>    |
| Net pension liability(asset)-ending                                    | <u>\$ 237,592</u>   | <u>\$ 442,620</u>   | <u>\$ (412,885)</u> | <u>\$ (200,881)</u> | <u>\$ (116,324)</u> | <u>\$ 200,134</u>   | <u>\$ (113,711)</u> | <u>\$ 105,005</u>   | <u>\$ 186,007</u>   | <u>\$ (27,651)</u>  |
| <b>RATIOS:</b>                                                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Plan fiduciary net position as a percentage of total pension liability | 94.95%              | 88.40%              | 111.33%             | 105.96%             | 103.84%             | 92.80%              | 104.32%             | 95.70%              | 92.29%              | 101.24%             |
| Covered-employee payroll                                               | \$ 940,801          | \$ 856,670          | \$ 815,072          | \$ 707,210          | \$ 677,797          | \$ 606,966          | \$ 617,426          | \$ 531,118          | \$ 516,580          | \$ 511,892          |
| Net pension liability as a percentage of covered-employee payroll      | 25.25%              | 51.67%              | -50.66%             | -28.40%             | -17.16%             | 32.97%              | -18.42%             | 19.77%              | 36.01%              | -5.40%              |

NOTE: Schedule requires information for past 10 calendar years.

**BOROUGH OF TARENTUM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (GENERAL EMPLOYEES' PENSION PLAN)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                                        | <u>2022</u>                  | <u>2021</u>                    | <u>2020</u>                    | <u>2019</u>                 | <u>2018</u>                  | <u>2017</u>                  | <u>2016</u>                  | <u>2015</u>                  | <u>2014</u>                  |
|------------------------------------------------------------------------|------------------------------|--------------------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Total pension liability-beginning</b>                               | \$ 5,847,318                 | \$ 5,691,760                   | \$ 5,332,635                   | \$ 5,256,587                | \$ 5,085,677                 | \$ 4,948,378                 | \$ 5,118,488                 | \$ 5,185,265                 | \$ 4,825,179                 |
| Service Cost                                                           | 135,618                      | 151,225                        | 144,443                        | 132,086                     | 123,095                      | 128,310                      | 113,067                      | 103,582                      | 103,232                      |
| Interest                                                               | 305,657                      | 298,466                        | 277,933                        | 273,678                     | 266,077                      | 259,590                      | 279,833                      | 277,583                      | 264,281                      |
| Experience (gain)/loss                                                 | 12,763                       | -                              | 82,636                         | -                           | 47,313                       | -                            | (408,867)                    | -                            | 235,900                      |
| Assumption (gain)/loss                                                 | -                            | -                              | 198,440                        | -                           | -                            | -                            | 122,745                      | 35,488                       | -                            |
| Transfers                                                              | -                            | -                              | -                              | 28,555                      | 11,928                       | -                            | -                            | (212,068)                    | -                            |
| Benefit payments                                                       | (308,096)                    | (294,133)                      | (344,327)                      | (358,271)                   | (277,503)                    | (250,601)                    | (276,887)                    | (271,362)                    | (243,327)                    |
| Net change in total pension liability                                  | <u>\$ 145,942</u>            | <u>\$ 155,558</u>              | <u>\$ 359,125</u>              | <u>\$ 76,048</u>            | <u>\$ 170,910</u>            | <u>\$ 137,299</u>            | <u>\$ (170,110)</u>          | <u>\$ (66,777)</u>           | <u>\$ 360,086</u>            |
| <b>Total pension liability-ending</b>                                  | <u>\$ 5,993,260</u>          | <u>\$ 5,847,318</u>            | <u>\$ 5,691,760</u>            | <u>\$ 5,332,635</u>         | <u>\$ 5,256,587</u>          | <u>\$ 5,085,677</u>          | <u>\$ 4,948,378</u>          | <u>\$ 5,118,488</u>          | <u>\$ 5,185,265</u>          |
| <br>Plan fiduciary net position-beginning                              | <br>\$ 6,536,470             | <br>\$ 5,796,950               | <br>\$ 5,291,580               | <br>\$ 4,477,185            | <br>\$ 4,811,807             | <br>\$ 4,188,228             | <br>\$ 4,160,669             | <br>\$ 4,751,349             | <br>\$ 4,494,715             |
| Contributions-employer                                                 | 161,501                      | 157,487                        | 135,122                        | 137,762                     | 115,354                      | 114,616                      | 97,533                       | 98,667                       | 57,059                       |
| Contributions-member                                                   | 780                          | 61,709                         | 61,015                         | 57,724                      | 48,811                       | 48,076                       | 44,868                       | 36,277                       | 34,715                       |
| Contributions-PMRS Assessment                                          | 51,695                       | 720                            | 680                            | 720                         | 680                          | 740                          | 800                          | 740                          | -                            |
| Net investment income                                                  | (732,544)                    | 830,010                        | 664,649                        | 957,312                     | (222,763)                    | 722,193                      | 173,618                      | (231,587)                    | 418,675                      |
| Transfers                                                              | -                            | -                              | -                              | 28,555                      | 11,928                       | -                            | -                            | (212,068)                    | -                            |
| Benefit payments                                                       | (308,096)                    | (294,133)                      | (344,327)                      | (358,271)                   | (277,503)                    | (250,601)                    | (276,888)                    | (271,362)                    | (243,327)                    |
| Actuarial costs                                                        | (780)                        | (720)                          | (680)                          | (720)                       | (660)                        | (740)                        | (740)                        | (740)                        | (760)                        |
| Other                                                                  | (15,099)                     | (15,553)                       | (11,089)                       | (8,687)                     | (10,469)                     | (10,705)                     | (11,632)                     | (10,607)                     | (9,728)                      |
| Change in plan fiduciary net position                                  | <u>\$ (842,543)</u>          | <u>\$ 739,520</u>              | <u>\$ 505,370</u>              | <u>\$ 814,395</u>           | <u>\$ (334,622)</u>          | <u>\$ 623,579</u>            | <u>\$ 27,559</u>             | <u>\$ (590,680)</u>          | <u>\$ 256,634</u>            |
| <br>Plan fiduciary net position-ending                                 | <br><u>\$ 5,693,927</u>      | <br><u>\$ 6,536,470</u>        | <br><u>\$ 5,796,950</u>        | <br><u>\$ 5,291,580</u>     | <br><u>\$ 4,477,185</u>      | <br><u>\$ 4,811,807</u>      | <br><u>\$ 4,188,228</u>      | <br><u>\$ 4,160,669</u>      | <br><u>\$ 4,751,349</u>      |
| <br>Net pension liability-beginning                                    | <br><u>\$ (689,152)</u>      | <br><u>\$ (105,190)</u>        | <br><u>\$ 41,055</u>           | <br><u>\$ 779,402</u>       | <br><u>\$ 273,870</u>        | <br><u>\$ 760,150</u>        | <br><u>\$ 957,819</u>        | <br><u>\$ 433,916</u>        | <br><u>\$ 330,464</u>        |
| <br>Net pension liability-ending                                       | <br><u><u>\$ 299,333</u></u> | <br><u><u>\$ (689,152)</u></u> | <br><u><u>\$ (105,190)</u></u> | <br><u><u>\$ 41,055</u></u> | <br><u><u>\$ 779,402</u></u> | <br><u><u>\$ 273,870</u></u> | <br><u><u>\$ 760,150</u></u> | <br><u><u>\$ 957,819</u></u> | <br><u><u>\$ 433,916</u></u> |
| <b>RATIOS:</b>                                                         |                              |                                |                                |                             |                              |                              |                              |                              |                              |
| Plan fiduciary net position as a percentage of total pension liability | 95.01%                       | 111.79%                        | 101.85%                        | 99.23%                      | 85.17%                       | 94.61%                       | 84.64%                       | 81.29%                       | 91.63%                       |
| <br>Covered-employee payroll                                           | <br>\$ 979,290               | <br>\$ 1,044,560               | <br>\$ 1,000,870               | <br>\$ 898,997              | <br>\$ 891,392               | <br>\$ 955,128               | <br>\$ 881,655               | <br>\$ 844,209               | <br>\$ 851,737               |
| <br>Net pension liability as a percentage of covered-employee payroll  | <br>30.57%                   | <br>-65.98%                    | <br>-10.51%                    | <br>4.57%                   | <br>87.44%                   | <br>28.67%                   | <br>86.22%                   | <br>113.46%                  | <br>50.94%                   |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for the nine most recent years.

**BOROUGH OF TARENTUM**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS (POLICE PENSION PLAN)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                           | <u>2023</u>    | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                       | \$ 133,405     | \$ 137,005     | \$ 120,165     | \$ 109,148     | \$ 91,556     | \$ 73,327     | \$ 66,466     | \$ 63,110     | \$ 81,285     |
| Contributions                                             | <u>133,405</u> | <u>137,005</u> | <u>120,165</u> | <u>109,148</u> | <u>91,556</u> | <u>73,327</u> | <u>66,466</u> | <u>63,110</u> | <u>81,285</u> |
| Contribution deficiency (excess)                          | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| <b>RATIOS:</b>                                            |                |                |                |                |               |               |               |               |               |
| Covered-employee payroll                                  | \$ 837,282     | \$ 856,670     | \$ 815,072     | \$ 707,210     | \$ 677,797    | \$ 606,966    | \$ 617,426    | \$ 531,118    | \$ 516,581    |
| Contributions as a percentage of covered-employee payroll | 15.93%         | 15.99%         | 14.74%         | 15.43%         | 13.51%        | 12.08%        | 10.77%        | 11.88%        | 15.74%        |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for the nine most recent years.

**BOROUGH OF TARENTUM**  
**SCHEDULE OF ACTUARIALLY DETERMINED PENSION CONTRIBUTION AND RELATED RATIOS (GENERAL EMPLOYEES' PENSION PLAN)**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                           | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Actuarially determined contribution                       | \$ 162,221     | \$ 158,187     | \$ 135,782     | \$ 138,422     | \$ 116,014     | \$ 115,356     | \$ 98,273      | \$ 99,367      | \$ 56,979      |
| Contributions                                             | <u>162,281</u> | <u>158,207</u> | <u>135,802</u> | <u>138,482</u> | <u>116,034</u> | <u>115,356</u> | <u>98,333</u>  | <u>99,407</u>  | <u>57,059</u>  |
| Contribution deficiency (excess)                          | <u>\$ (60)</u> | <u>\$ (20)</u> | <u>\$ (20)</u> | <u>\$ (60)</u> | <u>\$ (20)</u> | <u>\$ -</u>    | <u>\$ (60)</u> | <u>\$ (40)</u> | <u>\$ (80)</u> |
| <b>RATIOS:</b>                                            |                |                |                |                |                |                |                |                |                |
| Covered-employee payroll                                  | \$ 979,290     | \$ 1,044,560   | \$ 1,000,870   | \$ 898,997     | \$ 891,392     | \$ 955,128     | \$ 881,655     | \$ 844,209     | \$ 851,737     |
| Contributions as a percentage of covered-employee payroll | 16.57%         | 15.15%         | 13.57%         | 15.40%         | 13.02%         | 12.08%         | 11.15%         | 11.78%         | 6.70%          |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for eight most recent years.



**BOROUGH OF TARENTUM**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**POST-RETIREMENT HEALTHCARE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                                      | <b><u>2023</u></b>      | <b><u>2022</u></b>      | <b><u>2021</u></b>       | <b><u>2020</u></b>       | <b><u>2019</u></b>       | <b><u>2018</u></b>       |
|----------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Service cost                                                         | \$ 6,623                | \$ 15,143               | \$ 15,017                | \$ 10,662                | \$ 11,282                | \$ 10,760                |
| Benefit payments                                                     | (7,915)                 | (1,056)                 | (1,061)                  | (11,010)                 | (14,934)                 | (14,657)                 |
| Interest                                                             | 3,141                   | 3,100                   | 3,294                    | 5,361                    | 5,353                    | 4,739                    |
| Changes in assumptions or other inputs                               | -                       | (6,675)                 | -                        | 5,361                    | -                        | -                        |
| Differences between expected and actual experience                   | 1,422                   | -                       | (13,197)                 | (38,656)                 | (4,758)                  | 19,371                   |
| <b>Net change in total OPEB liability</b>                            | <b><u>3,271</u></b>     | <b><u>(68,864)</u></b>  | <b><u>4,053</u></b>      | <b><u>(28,282)</u></b>   | <b><u>(3,057)</u></b>    | <b><u>20,213</u></b>     |
| <b>Total OPEB liability - beginning of year</b>                      | <b><u>85,942</u></b>    | <b><u>154,806</u></b>   | <b><u>150,753</u></b>    | <b><u>179,035</u></b>    | <b><u>182,092</u></b>    | <b><u>161,879</u></b>    |
| <b>Total OPEB liability - end of year</b>                            | <b><u>\$ 89,213</u></b> | <b><u>\$ 85,942</u></b> | <b><u>\$ 154,806</u></b> | <b><u>\$ 150,753</u></b> | <b><u>\$ 179,035</u></b> | <b><u>\$ 182,092</u></b> |
| <br>Covered-employee payroll                                         | <br>\$ 2,141,530        | <br>\$ 1,828,007        | <br>\$ 1,840,516         | <br>\$ 1,708,143         | <br>\$ 1,467,280         | <br>\$ 1,418,106         |
| <br>Total OPEB liability as a percentage of covered employee payroll | <br>4.17%               | <br>4.70%               | <br>8.41%                | <br>8.83%                | <br>12.20%               | <br>12.84%               |

\*This schedule is presented to illustrate the requirements to show information for a ten-year period. However, the information shown above is for the years for which information is available.

**BOROUGH OF TARENTUM**  
**SCHEDULE OF ACTUARIALLY DETERMINED CONTRIBUTIONS AND RELATED RATIOS**  
**POST-RETIREMENT HEALTHCARE PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**  
**DECEMBER 31,**

|                                                           | ----- POST-RETIREMENT HEALTHCARE PLAN ----- |                         |                         |                         |                         |                        |
|-----------------------------------------------------------|---------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|
|                                                           | <b><u>2023</u></b>                          | <b><u>2022</u></b>      | <b><u>2021</u></b>      | <b><u>2020</u></b>      | <b><u>2019</u></b>      | <b><u>2018</u></b>     |
| Actuarially determined contribution                       | \$ 13,899                                   | \$ 26,955               | \$ 26,519               | \$ 25,222               | \$ 26,091               | \$ 23,925              |
| Contributions                                             | <u>7,915</u>                                | <u>1,056</u>            | <u>1,061</u>            | <u>11,010</u>           | <u>14,934</u>           | <u>14,675</u>          |
| Contribution deficiency (excess)                          | <u><u>\$ 5,984</u></u>                      | <u><u>\$ 25,899</u></u> | <u><u>\$ 25,458</u></u> | <u><u>\$ 14,212</u></u> | <u><u>\$ 11,157</u></u> | <u><u>\$ 9,250</u></u> |
| <b>RATIOS:</b>                                            |                                             |                         |                         |                         |                         |                        |
| Covered-employee payroll                                  | \$ 2,141,530                                | \$ 1,828,007            | \$ 1,840,516            | \$ 1,708,143            | \$ 1,467,280            | \$ 1,418,106           |
| Contributions as a percentage of covered-employee payroll | 0.37%                                       | 0.06%                   | 0.06%                   | 0.64%                   | 1.02%                   | 1.03%                  |

NOTE: Schedule requires information for past 10 calendar years. Most recent actuarial valuation presents information for the six most recent years.

**TARENTUM BOROUGH**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION PLANS**  
**DECEMBER 31, 2023**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR PENSION BENEFITS**

**POLICE PENSION PLAN**

**Changes in Benefit Terms**

On August 1, 2023, three officers from Brackenridge Borough were assumed by the Borough's police department and became pension plan members as of the same date.

**Changes in Assumptions used in the Measurement of Total Pension Liability**

None

**Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

The actuarial plan does not disclose actuarial assumptions, if applicable, used in the calculations of the Actuarially Determined Contributions.

**GENERAL EMPLOYEES' PENSION PLAN**

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of Total Pension Liability**

None

**Actuarial Assumptions used in Calculations of Actuarially Determined Contributions**

The following actuarial methods and assumptions were used in the calculation of the most recent actuarially determined contributions reported in the required supplementary information:

- Actuarial Valuation Date: January 1, 2019
- Actuarial Cost Method: Entry age
- Amortization Period: Level dollar based on the amortization periods in Act 205
- Asset valuation method: Based on the municipal reserves
- Discount Rate: 5.25%
- Inflation: 2.8%
- Salary increases: Age-related scale with merit and inflation component
- COLA increases: 2.8% for those eligible for a COLA
- Pre-Retirement Mortality: Males: RP 2000 non-annuitant male table projected 15 years with scale AA.  
Females: RP 2000 non-annuitant female table projected 15 years with scale AA, setback five years
- Post-Retirement Mortality: Males: RP2000 annuitant male table projected 5 years with scale AA.  
Females: RP2000 annuitant female table projected 10 years with scale AA

**TARENTUM BOROUGH**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**POST-RETIREMENT HEALTH CARE PLAN**  
**DECEMBER 31, 2023**

**NOTE 1 - FACTORS AND TRENDS USED IN THE ACTUARIAL VALUATION FOR THE RETIREE OPEB PLAN**

**Changes in Benefit Terms**

None

**Changes in Assumptions used in the Measurement of Total OPEB Liability**

None

**Actuarial Assumptions used in the Calculations of Actuarially Determined Contributions.**

The actuarial plan does not disclose actuarial assumptions, if applicable, used in the calculations of the Actuarially Determined Contributions.