

Financial Statements

Borough of Yeadon

December 31, 2022

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& Company

A Professional Corporation
Certified Public Accountants

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A Professional Corporation
Certified Public Accountants
INDEPENDENT AUDITORS' REPORT

Borough Council
Borough of Yeadon
Yeadon, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough of Yeadon as of and for the year ended December 31, 2022, and the related notes to the financial statements. We were not engaged to audit the financial statements of the aggregate discretely presented component units. These financial statements collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Except for the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified



Aggregate Discretely Presented Component Units	Disclaimer
Governmental Funds (General Fund, Special Revenue, Capital Projects Fund)	Unmodified
Proprietary Funds (Sewer and Refuse Funds)	Unmodified
Fiduciary Funds (Police Pension and Municipal Pension Funds)	Unmodified

Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units

The financial statements of Yeadon Public Library have not been audited, and we were not engaged to audit the Yeadon Public Library's financial statements as part of our audit of the Borough's basic financial statements. Yeadon Public Library's activities are included in the Borough's basic financial statements as a discretely presented component unit and represent 4%, 11% and 46% of the assets, net position, and revenues, respectively, of the Borough's aggregate discretely presented component units.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Aggregate Discretely Presented Component Units" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the Borough of Yeadon. Accordingly, we do not express an opinion on those financial statements.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Yeadon, as of December 31, 2022, and the respective changes in in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, budgetary comparison information on page 51, the schedule of changes in the net police pension plan liability and related ratios on page 52, the schedule of Borough's pension plan contributions on page 53, and the schedule of post-employment benefit obligation funding progress on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Our discussion and analysis of the Borough of Yeadon, Pennsylvania provides an overview of the Borough's financial performance for the calendar year ended December 31, 2022. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). Please consider the information presented here in conjunction with the Borough's financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

Highlights for Government-Wide Financial Statements (Full Accrual Basis):

The government-wide financial statements report information about the Borough as a whole using the economic resources measurement focus and accrual basis of accounting.

- The Borough's net position (deficit) was \$5,972,281 as of December 31, 2022 (representing its net position for governmental activities). The deficit is the result of the inclusion of \$7,019,886 for the net OPEB liability and \$3,434,456 for the net pension liability.
- Total revenues of the Borough's 2021 governmental activities were \$8 million, and expenditures totaled \$8.1 million. This compares to 2021 activity of \$7.5 million in revenue and \$8.6 million in expenditures. A significant portion of the increased revenues was reflected by a slight increase in the collection of delinquent real estate taxes. Expenses were increased primarily in the area of governmental services and police and fire services.
- Borough revenues of business-type activities for 2022 were \$3.8 million and expenses were \$3.8 million. In 2021, revenues totaled \$3.8 million and expenses totaled \$3.6 million.

Highlights for Fund Financial Statements (Modified Accrual):

The fund financial statements provide more detailed information about the Borough's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting:

- The Borough's governmental funds reported a consolidated fund balance of \$2,985,694 as of December 31, 2022. As of December 31, 2021, governmental funds reported a fund balance of \$2,793,378.

At December 31, 2022, the General Fund reported a fund balance of \$2,749,787 compared to a December 31, 2021 balance of \$2,497,461. The Borough's general fund's fund balance represents approximately 46 percent of general fund expenditures and 52 percent of general fund revenues, well within recommended fund balance levels.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 17 and 18) present information about the activities of the Borough as a whole and present a longer-term view of Yeadon Borough's finances. Fund financial statements begin on page 19. For governmental activities, these statements explain how services were financed in the short term as well as what remains for future spending. The governmental proprietary fund financial statements also report the Borough's operations in more detail than the entity-wide statements by providing information about the Borough's most significant funds. The remaining statements provide financial information about activities for which the Borough acts solely as a trustee or agent for the benefit of those outside of the government.

The accompanying financial statements have been prepared in accordance with GASB Statement 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

Government-Wide Financial Statements

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.

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 or position. Over time, increases or decreases in the Borough's net position are an indication of whether its financial health is improving or deteriorating, respectively.

In the Statement of Net Position and Statement of Activities, we divide the Borough into three kinds of categories:

- **Governmental Activities** - Most of the Borough's basic services are included here, such as general government, public safety, public works, culture and recreation. Property taxes finance most of these activities.
- **Business-Type Activities** - The Borough fees to help it cover the costs of certain services it provides, such as refuse and sewer services.
- **Component Unit** - Although legally separate, the Yeadon Public Library is important because the Borough is financially accountable for it.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Fund Level Financial Statements

Our analysis of the Borough's major funds provides detailed information about the most significant funds - not the Borough as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Supervisors establishes other funds to help it control and manage money for particular purposes (Special Revenue Funds) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (Capital Projects Fund). The Borough's three kinds of funds - governmental, proprietary and fiduciary - use different accounting approaches.

- ***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. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Borough's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Borough's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- ***Proprietary Funds*** - When the Borough charges homeowners and businesses for the services it provides, these charges are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position.
- ***Fiduciary Funds*** - The Borough is the trustee, or fiduciary, responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. All of the Borough's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the Borough's other financial statements because the Borough cannot use these assets to finance its operations. The Borough is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Infrastructure Assets

The Borough implemented the all model portions of GASB Statement No. 34, including the reporting of infrastructure. Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must either (1) depreciate these assets over their estimated useful lives, or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system, (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Borough has elected to depreciate all assets over their useful lives.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

FINANCIAL ANALYSIS OF THE BOROUGH - GOVERNMENT-WIDE STATEMENTS

The Borough's net position (deficit) was \$5,972,281 as of December 31, 2021 (representing its net position for governmental activities).

For more detailed information about this table (Schedule of Net Position) refer to the Statement of Net Position (page 17).

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS:						
Current and Other Assets	\$ 3,711,334	\$ 3,564,378	\$ 1,514,067	\$ 1,537,945	\$ 5,225,401	\$ 5,102,323
Capital Assets, Net of Depreciation	3,380,750	3,377,839	3,800,313	3,658,466	7,181,063	7,036,305
Deferred Outflows of Resources	2,585,459	2,290,261	0	0	2,585,459	2,290,261
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,677,543	\$ 9,232,478	\$ 5,314,380	\$ 5,196,411	\$ 14,991,923	\$ 14,428,889
LIABILITIES:						
Current Liabilities	\$ 618,419	\$ 773,697	\$ 288,861	\$ 288,995	\$ 907,280	\$ 1,062,692
Long-Term Liabilities	11,378,923	12,011,618	2,112,791	2,074,891	13,491,714	14,086,509
Deferred Inflows of Resources	3,652,482	2,209,746	0	0	3,652,482	2,209,746
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,649,824	14,995,061	2,401,652	2,363,886	18,051,476	17,358,947
NET POSITION:						
Invested in Capital Assets, Net of Related Debt	3,343,578	3,303,153	1,586,522	1,488,575	4,930,100	4,791,728
Restricted	235,907	295,917	0	0	235,907	295,917
Unrestricted	(9,551,766)	(9,361,653)	1,326,206	1,343,950	(8,225,560)	(8,017,703)
TOTAL NET POSITION	(5,972,281)	(5,762,583)	2,912,728	2,832,525	(3,059,553)	(2,930,058)
TOTAL LIABILITIES AND NET POSITION	\$ 9,677,543	\$ 9,232,478	\$ 5,314,380	\$ 5,196,411	\$ 14,991,923	\$ 14,428,889

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

When comparing the 2022 Statement of Net Position to 2021, there was a decrease in total net position of \$209,698.

The following comparison illustrates revenues and expenses of governmental activities and business-type activities for fiscal years 2022 and 2021 in a detailed format:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Program Services:						
Charges for Services	\$ 644,679	\$ 556,078	\$ 3,893,379	\$ 3,766,371	\$ 4,538,058	\$ 4,322,449
Operating Grants and Contributions	1,211,197	1,221,797	0	0	1,211,197	1,221,797
General Revenues:						
Property Taxes	3,031,438	2,853,347	0	0	3,031,438	2,853,347
Earned Income Taxes	2,271,992	2,056,612	0	0	2,271,992	2,056,612
Realty Transfer Taxes	405,221	253,688	0	0	405,221	253,688
Local Services Tax	86,281	83,007	0	0	86,281	83,007
Franchise Fee - Cable TV	183,952	190,834	0	0	183,952	190,834
Other Revenue	141,233	336,166	3,637	2,632	144,870	338,798
TOTAL REVENUES	7,975,993	7,551,529	3,897,016	3,769,003	11,873,009	11,320,532
EXPENSES:						
General Government	1,777,511	1,702,931	0	0	1,777,511	1,702,931
Public Safety	4,386,145	4,637,774	0	0	4,386,145	4,637,774
Public Works	543,902	969,423	0	0	543,902	969,423
Library	393,274	387,248	0	0	393,274	387,248
Culture and Recreation	169,894	67,494	0	0	169,894	67,494
Interest on Long-Term Debt	82,170	78,999	54,586	47,040	136,756	126,039
Pension	534,306	441,120	0	0	534,306	441,120
Unallocated Depreciation Expense	298,489	286,486	0	0	298,489	286,486
Refuse Fund	0	0	1,055,139	876,378	1,055,139	876,378
Sewer Fund	0	0	2,707,088	2,721,751	2,707,088	2,721,751
TOTAL EXPENSES	8,185,691	8,571,475	3,816,813	3,645,169	12,002,504	12,216,644
Transfers	0	0	0	0	0	0
CHANGE IN NET POSITION	\$ (209,698)	\$ (1,019,946)	\$ 80,203	\$ 123,834	\$ (129,495)	\$ (896,112)

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

There are eight basic impacts that can affect revenues and expenses on an annual basis. They are as follows:

Revenues:

1. **Economic Condition** can reflect a declining, stable or growing economic environment and has a substantial impact on property, business, mercantile or other tax revenue, as well as public spending habits for building permits and elective user fees.
2. **Changes in Borough Approved Rates** - While certain tax rates are set by statute, the Borough Council has significant authority to impose and periodically increase or decrease rates (real estate tax millage, sewer rental fee, refuse fees, building fees, user fees, etc.).
3. **Changing Patterns in Intergovernmental and Grant Revenue (Recurring and Non-recurring)** - Certain recurring revenues (state-shared revenues, block grant, etc.) may experience significant changes periodically, while non-recurring (or one time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
4. **Market Impacts on Investment Income** - The Borough's investment portfolio is managed using a longer average maturity on capital funds. Market conditions cause investment income to fluctuate with the economic environment.

Expenses:

1. **Introduction of New Programs** - Within the functional expense categories (public safety, public works, refuse, sewer, etc.), individual programs may be added or deleted to meet changing community needs and requirements.
2. **Increase in Authorized Personnel** - Changes in service demand may cause the Borough Board to increase or decrease authorized staffing. Personnel costs (salary and related benefits) represent approximately 50% of the Borough's primary program expenses.
3. **Salary Increases (Annual Adjustments and Merit)** - The ability to attract and retain human resources requires Yeadon Borough to strive to approach a competitive salary and range position in the marketplace.
4. **Inflation** - While overall inflation appears to be reasonably modest, the Borough is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions experience unusual commodity-specific increases.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Governmental Activities - Changes in Net Position

Revenue from Yeadon Borough's governmental activities in 2022 totaled \$7,975,993, An increase of \$424,464. Sources of revenue were primarily from property taxes, realty transfer taxes, public safety related charges and operating grants and contributions.

Expenses of all governmental activities this year totaled \$8,185,691, a decrease of \$385,784 from 2021.

Business-Type Activities - Changes in Net Position

Yeadon Borough maintains a sewer fund and a refuse fund. The combined revenue from these funds was \$3,762,227 in 2022.

For business-type activities, total expenses for 2022 were \$3,816,813, including interest expense.

Cost of Services - Expenses Analysis

The schedule on the following page highlights the cost of services for Governmental Activities and Business-Type Activities. The total cost of services column includes all costs related to the programs and the net cost column shows how much of the total amount was not covered by program revenues. In other words, net costs are costs that must be covered by local taxes or other general revenue or transfers.

Net cost of Governmental Activities is 77% of total cost of services in 2022. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Borough of Yeadon
 Cost of Services - Expense Analysis

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:				
General Government	\$1,777,511	\$1,107,520	\$ 1,702,931	\$ 998,945
Public Safety	4,386,145	3,842,850	4,637,774	4,156,747
Public Works	543,902	233,402	969,423	671,488
Library	393,274	393,274	387,248	387,248
Culture and Recreation	169,894	169,894	67,494	67,494
Interest on Long-Term Debt	82,170	82,170	78,999	78,999
Pension	534,306	202,216	441,120	146,193
Unallocated Depreciation and Amortization	298,489	298,489	286,486	286,486
TOTAL GOVERNMENTAL ACTIVITIES	\$8,185,691	\$6,329,815	\$ 8,571,475	\$6,793,600
Business-Type Activities:				
Sewer Fund	\$2,439,722	\$ 220,805	\$ 2,439,722	\$ 141,971
Refuse Fund	955,925	(144,239)	955,925	26,271
TOTAL BUSINESS-TYPE ACTIVITIES	\$3,395,647	\$ 76,566	\$ 3,395,647	\$ 168,242

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The Borough uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. The focus of the Borough's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such data is useful in assessing the Borough's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As the Borough completed the year, its governmental funds (as presented in the balance sheet on page 19) reported a combined fund balance of \$2,985,694. The Borough's general fund unassigned fund balance was \$2,793,378 as of December 31, 2022, which equals 33% of 2022 total revenues and 34% of total expenditures, excluding other financing sources and uses.

Maintaining a reasonable fund balance provides a "safety net" in the event of emergencies, economic downturns or other unforeseen circumstances. Without an adequate level of fund balance, these unforeseen amounts could create the need for a significant tax increase in a future period or create the need for borrowing. Bond rating services and the Governmental Finance Officers Association (GFOA) recommend, at a minimum, an unreserved fund balance of 5 to 15 percent of regular general fund operating revenues.

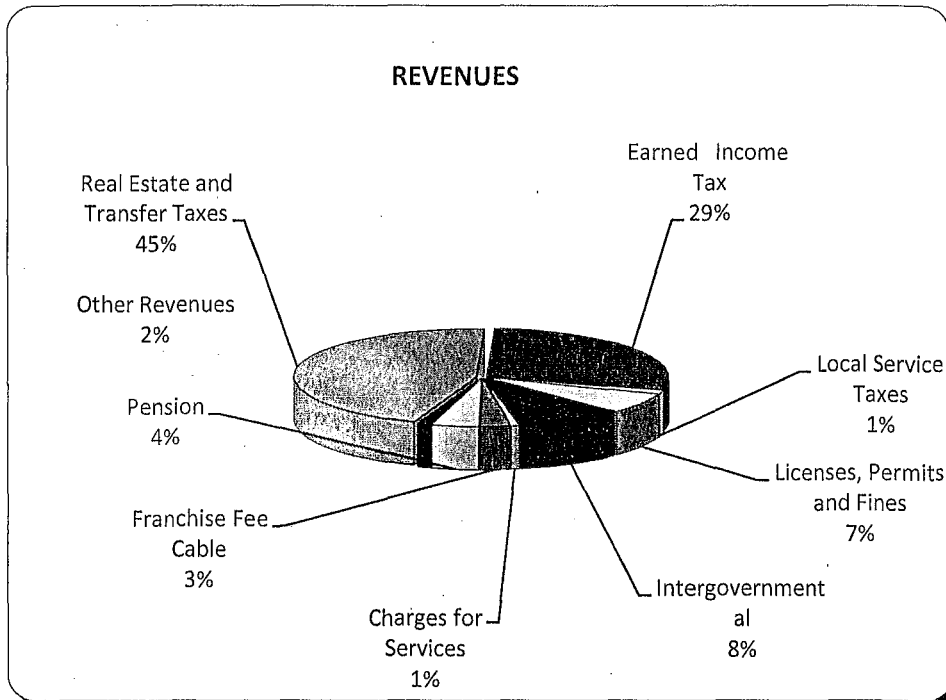
BOROUGH OF YEADON
 Management's Discussion and Analysis (Unaudited)
 December 31, 2022

General Fund Revenue Analysis:

Borough of Yeadon
Revenue Comparison

	<u>2022</u>	<u>2021</u>	Increase (Decrease)
Revenues:			
Real Estate and Transfer Taxes	\$ 3,510,589	\$ 3,236,650	\$ 273,939
Earned Income Tax	2,271,992	2,056,612	215,380
Local Service Taxes	86,281	83,007	3,274
Licenses, Permits and Fines	536,820	487,720	49,100
Intergovernmental	607,943	680,614	(72,671)
Charges for Services	106,659	53,805	52,854
Franchise Fee - Cable TV	183,952	190,834	(6,882)
Act 205 Pension	332,090	294,927	37,163
Other Revenues	146,195	87,044	59,151
TOTAL REVENUES	<u>7,782,521</u>	<u>7,171,213</u>	<u>611,308</u>
Other Financing Sources:			
Transfers In	0	0	0
Refunds of Prior Years Expenditures	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 7,782,521</u>	<u>\$ 7,171,213</u>	<u>\$ 611,308</u>

Revenues and other financing sources for 2022 totaled \$7,782,521. This was an increase from the previous year of \$611,308.

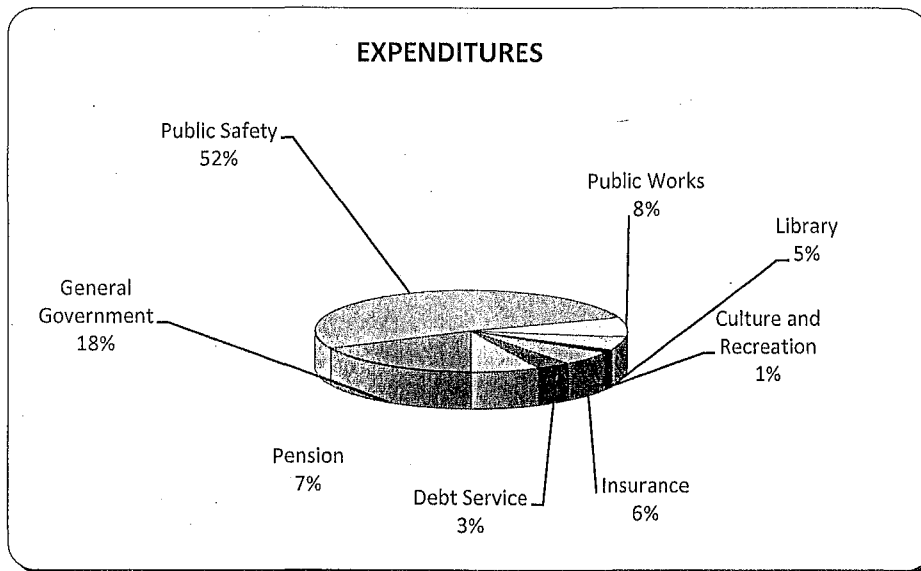


BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

General Fund Expenditure Analysis:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Expenditures:			
General Government	\$ 1,334,185	\$ 1,230,089	\$ 104,096
Public Safety	3,891,884	3,957,555	(65,671)
Public Works	579,316	568,357	10,959
Library	393,274	387,248	6,026
Culture and Recreation	90,897	50,546	40,351
Insurance	434,405	437,387	(2,982)
Debt Service	260,821	267,619	(6,798)
Pension	534,306	441,120	93,186
TOTAL EXPENDITURES	<u>7,519,088</u>	<u>7,339,921</u>	<u>179,167</u>
Other Financing Uses:			
Net Refund of Prior Years Revenues (Expenditures)	<u>11,107</u>	<u>38,299</u>	<u>(27,192)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 7,530,195</u>	<u>\$ 7,378,220</u>	<u>\$ 151,975</u>

Total expenditures and other financing uses were \$7,530,195 in 2022. This represents an increase of \$151,975 over the previous year.



BOROUGH OF YEADON
Management's Discussion and Analysis (Unaudited)
December 31, 2022

FINANCIAL ANALYSIS OF PROPRIETARY FUNDS (Business-Type)

Business-type funds are used to account for operations that are financed and operated in a manner similar to private businesses. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public, on a continuing basis, be financed or recovered primarily through user charges and fees. Yeadon Borough maintains two such funds; the Sewer Fund and the Refuse Fund. The following is a comparative analysis of the Statements of Revenue and Expenses for:

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

The statement comparing the Borough's budget to actual results can be found on page 50. Total actual revenues ended the year over budget by \$306,462. The key factors were:

- Earned income taxes were over budget by \$268,242.
- Transfer taxes were over budget by \$228,698.
- Miscellaneous revenue was under budget by \$265,412.

Expenditures

Actual Expenditures, including other financing sources and uses, ended the year with a net, favorable budget variance of \$189,398. Contributing to this position were several factors:

- Public Safety - Expenses were \$103,047 under budget.
- Public Works - Expenses were \$250,748 under budget.

BOROUGH OF YEADON
 Management's Discussion and Analysis (Unaudited)
 December 31, 2022

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets - Governmental Activities

The Borough's investment in capital assets for its governmental activities for calendar year ended December 31, 2021 is \$3,380,750 net of accumulated depreciation.

Schedule of Capital Assets
For the Year Ended December 31, 2022

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>Ending Balance</u>
Capital Assets:			
Land	\$ 404,957	\$ 0	\$ 404,957
Building and Improvements	2,683,351	0	2,683,351
Infrastructure	2,368,664	301,400	2,670,064
Machinery, Vehicles, Furniture and Equipment	2,548,075	0	2,548,075
Software	21,040	0	21,040
TOTAL CAPITAL ASSETS	<u>8,026,087</u>	<u>301,400</u>	<u>8,327,487</u>
Accumulated Depreciation for:			
Building and Improvements	1,357,523	73,949	1,431,472
Infrastructure	1,214,250	103,258	1,317,508
Machinery, Vehicles, Furniture and Equipment	2,055,435	121,282	2,176,717
Software	21,040	0	21,040
TOTAL ACCUMULATED DEPRECIATION	<u>4,648,248</u>	<u>298,489</u>	<u>4,946,737</u>
 GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	 <u>\$ 3,377,839</u>	 <u>\$ 2,911</u>	 <u>\$ 3,380,750</u>

BOROUGH OF YEADON
 Management's Discussion and Analysis (Unaudited)
 December 31, 2022

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (continued)

Capital Assets - Business-Type Activities

The Borough's investment in capital assets for its business-type activities for calendar year ended December 31, 2022 is \$3,800,313 net of accumulated depreciation.

Schedule of Capital Assets
For the Year Ended December 31, 2022

<u>Business-Type Activities:</u>	<u>Beginning Balance</u>	<u>Increase/ (Decrease)</u>	<u>Ending Balance</u>
Capital Assets:			
Infrastructure	\$ 4,499,319	\$ 227,600	\$ 4,726,919
Equipment	342,475	0	342,475
TOTAL CAPITAL ASSETS	<u>4,841,794</u>	<u>227,600</u>	<u>5,069,394</u>
Accumulated Depreciation for:			
Infrastructure	848,101	82,457	930,558
Equipment	335,227	3,296	338,523
TOTAL ACCUMULATED DEPRECIATION	<u>1,183,328</u>	<u>85,753</u>	<u>1,269,081</u>
 GOVERNMENTAL ACTIVITIES			
CAPITAL ASSETS, NET	<u>\$ 3,658,466</u>	<u>-\$ 141,847</u>	<u>\$ 3,800,313</u>

Long-Term Debt

As of December 31, 2022, Yeadon Borough's outstanding debt portfolio consisted of \$1,791,000 in bonds and \$1,315,791 in notes payable. During 2022 the Borough made principal payments of \$310,700 and incurred the issuance of new debt in the amount of \$227,600.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The Borough's current allowable debt borrowing base is approximately \$14,700,415. As of December 31, 2022, the Borough's borrowing level is only at 17% capacity. This is a relatively favorable position.

Additional information about the Borough's long-term debt can be found in Note 9 on pages 38 through 40 of this report.

BOROUGH OF YEADON
 Management's Discussion and Analysis (Unaudited)
 December 31, 2022

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (continued)

Long-Term Debt (continued)

Debt Service Schedule
For the Year Ended December 31, 2022

	<u>Principal Outstanding 1/1/2022</u>	<u>Maturities</u>	<u>Additions</u>	<u>Principal Outstanding 12/31/2022</u>
General Obligation Bond Series B of 2010	\$ 521,000	\$ 126,000	\$ 0	\$ 395,000
General Obligation Bond Series A of 2010	499,000	1,000	0	498,000
General Obligation Bond Series 2010 Sewer Revenue Note	996,000	98,000	0	898,000
Note Payable Series Loan	<u>1,173,891</u>	<u>85,700</u>	<u>227,600</u>	<u>1,315,791</u>
LONG-TERM DEBT	<u>\$ 3,189,891</u>	<u>\$ 310,700</u>	<u>\$ 227,600</u>	<u>\$ 3,106,791</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, 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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Borough Manager, Borough of Yeadon, Church Lane and Bailey Road, Yeadon, PA 19050.

BOROUGH OF YEADON
Statement of Net Position
As of December 31, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Current:				
Cash and Cash Equivalents	\$ 1,719,721	\$ 802,253	\$ 2,521,974	\$ 209,603
Accounts Receivable, Net	168,860	1,232,648	1,401,508	0
Due From Other Governments	12,353	0	12,353	0
Taxes Receivable	1,289,566	0	1,289,566	0
Internal Balances	520,834	(520,834)	0	0
Prepaid Expense	0	0	0	0
TOTAL CURRENT ASSETS	3,711,334	1,514,067	5,225,401	209,603
Capital Assets, Net of Accumulated Depreciation	3,380,750	3,800,313	7,181,063	322,890
TOTAL ASSETS	7,092,084	5,314,380	12,406,464	532,493
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources: OPEB	1,331,152	0	1,331,152	0
Deferred Outflows of Resources: Pension Plan	1,254,307	0	1,254,307	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,585,459	0	2,585,459	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,677,543	\$ 5,314,380	\$ 14,991,923	\$ 532,493
LIABILITIES				
Current:				
Accounts Payable and Other Current Liabilities	\$ 193,477	\$ 180,435	\$ 373,912	\$ 5,079
Accrued Salaries	55,779	7,426	63,205	0
Accrued Interest	4,140	0	4,140	0
Escrow Deposits	196,851	0	196,851	0
Bonds and Notes Payable Due Within One Year	131,000	101,000	232,000	0
Capital Leases Due Within One Year	37,172	0	37,172	0
TOTAL CURRENT LIABILITIES	618,419	288,861	907,280	5,079
Long-Term:				
Bonds and Notes Payable Due After One Year	762,000	2,112,791	2,874,791	0
Capital Leases Due After One Year	0	0	0	0
Net Pension Liability	3,434,456	0	3,434,456	0
Accrued Severance	162,581	0	162,581	0
Net OPEB Liability	7,019,886	0	7,019,886	0
TOTAL LONG-TERM LIABILITIES	11,378,923	2,112,791	13,491,714	0
TOTAL LIABILITIES	11,997,342	2,401,652	14,398,994	5,079
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources: OPEB	3,555,489	0	3,555,489	0
Deferred Inflows of Resources: Pension Plan	96,993	0	96,993	0
TOTAL DEFERRED INFLOWS OF RESOURCES	3,652,482	0	3,652,482	0
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	15,649,824	2,401,652	18,051,476	5,079
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	3,343,578	1,586,522	4,930,100	322,890
Restricted	235,907	0	235,907	0
Unrestricted	(9,551,766)	1,326,206	(8,225,560)	204,524
TOTAL NET POSITION	(5,972,281)	2,912,728	(3,059,553)	527,414
TOTAL LIABILITIES AND NET POSITION	\$ 9,677,543	\$ 5,314,380	\$ 14,991,923	\$ 532,493

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Statement of Activities
For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Yeadon Library
Governmental Activities:								
General Government	\$ 1,777,511	\$ (62,048)	\$ (607,943)	\$ 0	\$ (1,107,520)	\$ 0	\$ (1,107,520)	\$ 0
Public Safety	4,386,145	(543,295)	0	0	(3,842,850)	0	(3,842,850)	0
Public Works	543,902	(39,336)	(271,164)	0	(233,402)	0	(233,402)	0
Library	393,274	0	0	0	(393,274)	0	(393,274)	0
Culture and Recreation	169,894	0	0	0	(169,894)	0	(169,894)	0
Interest on Long-Term Debt	82,170	0	0	0	(82,170)	(54,586)	(136,756)	0
Pension	534,306	0	(332,090)	0	(202,216)	0	(202,216)	0
Unallocated Depreciation and Amortization Expense	298,489	0	0	0	(298,489)	0	(298,489)	0
TOTAL GOVERNMENTAL ACTIVITIES	8,185,691	(644,679)	(1,211,197)	0	(6,329,815)	(54,586)	(6,384,401)	0
Business-Type Activities:								
Sewer Fund	2,707,088	(2,982,479)	0	0	0	275,391	275,391	0
Refuse Fund	1,055,139	(910,900)	0	0	0	(144,239)	(144,239)	0
TOTAL BUSINESS-TYPE ACTIVITIES	3,762,227	(3,893,379)	0	0	0	131,152	131,152	0
TOTAL PRIMARY GOVERNMENT	\$ 11,947,918	\$ (4,538,058)	\$ (1,211,197)	\$ 0	\$ (6,329,815)	\$ 76,566	\$ (6,253,249)	\$ 0
Component Unit:								
Library	\$ 472,282	\$ (7,724)	\$ (446,874)	\$ (8,227)				\$ (9,457)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net					\$ 3,031,438	0	3,031,438	0
Earned Income Taxes					2,271,992	0	2,271,992	0
Realty Transfer Taxes					405,221	0	405,221	0
Local Services Tax					86,281	0	86,281	0
Franchise Fee - Cable TV					183,952	0	183,952	0
Investment Earnings					9,238	3,637	12,875	2,615
Miscellaneous Income					131,995	0	131,995	0
TOTAL GENERAL REVENUES AND SPECIAL ITEMS					6,120,117	3,637	6,123,754	2,615
CHANGE IN NET POSITION					(209,698)	80,203	(129,495)	(6,842)
Net Position - January 1, 2022					(5,762,583)	2,832,525	(2,930,058)	534,256
NET POSITION (DEFICIT) - DECEMBER 31, 2022					\$ (5,972,281)	\$ 2,912,728	\$ (3,059,553)	\$ 527,414

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON

Balance Sheet

Governmental Funds

December 31, 2022

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	1,431,481	236,876	51,361	\$ 1,719,718
Taxes Receivable	1,289,568	0	0	1,289,568
Accounts Receivable, Net	168,860	0	0	168,860
Due from Other Governments	12,353	0	0	12,353
Due from Other Funds	591,771	42,427	2,031	636,229
Prepaid Expenditures	0	0	0	0
TOTAL ASSETS	<u>\$ 3,494,033</u>	<u>\$ 279,303</u>	<u>\$ 53,392</u>	<u>\$ 3,826,728</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u> 				
<u>Liabilities:</u>				
Accounts Payable	169,654	23,129	0	\$ 192,783
Due to Other Funds	42,427	72,968	0	115,395
Accrued Wages and Payroll Taxes Payable	55,779	0	691	56,470
Escrow Deposits	196,851	0	0	196,851
TOTAL LIABILITIES	<u>464,711</u>	<u>96,097</u>	<u>691</u>	<u>561,499</u>
 <u>Deferred Inflows of Resources:</u>				
Unavailable Revenue - Property Taxes	279,535	0	0	279,535
 <u>Fund Balances:</u>				
Nonspendable Fund Balance	0	0	0	0
Restricted Fund Balance	0	183,206	0	183,206
Assigned Fund Balance	0	0	52,701	52,701
Unassigned Fund Balance	2,749,787	0	0	2,749,787
TOTAL FUND BALANCES	<u>2,749,787</u>	<u>183,206</u>	<u>52,701</u>	<u>2,985,694</u>
 TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 3,494,033</u>	<u>\$ 279,303</u>	<u>\$ 53,392</u>	<u>\$ 3,826,728</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2022

Total Fund Balances - Governmental Funds \$ 2,985,694

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$7,729,127, and the accumulated depreciation is \$4,361,761 3,380,750

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds 279,533

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable	\$	(893,000)	
Capital Leases		(37,172)	
Accrued Interest on the Capital Leases		(4,140)	
Net Pension Liability		(3,434,456)	
Accrued Severance		(162,581)	
Net OPEB Liability		<u>(7,019,886)</u>	(11,551,235)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements

Deferred Outflows of Resources - OPEB		1,331,152	
Deferred Outflows of Resources - Pension Plan		1,254,307	
Deferred Inflows of Resources - OPEB		(3,555,489)	
Deferred Inflows of Resources - Pension Plan		<u>(96,993)</u>	

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ (5,972,281)

BOROUGH OF YEADON
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Special Revenue Funds	Capital Projects Fund	Total Governmental Funds
Revenues:				
Local Sources:				
Real Estate Taxes	\$ 3,105,368	\$ 0	\$ 0	\$ 3,105,368
Earned Income Tax	2,271,992	0	0	2,271,992
Transfer Taxes	405,221	0	0	405,221
Local Services Tax	86,281	0	0	86,281
Licenses and Permits	431,622	0	0	431,622
Fines and Forfeits	105,198	0	0	105,198
Intergovernmental	607,943	271,164	0	879,107
Act 205 Pension	332,090	0	0	332,090
Charges for Services	106,659	0	0	106,659
Franchise Fee - Cable TV	183,952	0	0	183,952
Public Utility Tax	5,245	0	0	5,245
Investment Earnings	7,915	1,014	309	9,238
Miscellaneous	133,035	0	0	133,035
TOTAL REVENUES	<u>7,782,521</u>	<u>272,178</u>	<u>309</u>	<u>8,055,008</u>
Expenditures:				
General Government	1,334,185	0	0	1,334,185
Public Safety	3,891,884	0	0	3,891,884
Public Works	579,316	303,500	0	882,816
Library	393,274	0	0	393,274
Culture and Recreation	90,897	0	0	90,897
Insurance	434,405	0	0	434,405
Debt Service	260,821	0	0	260,821
Pension	534,306	0	0	534,306
Capital Projects	0	0	28,997	28,997
TOTAL EXPENDITURES	<u>7,519,088</u>	<u>303,500</u>	<u>28,997</u>	<u>7,851,585</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>263,433</u>	<u>(31,322)</u>	<u>(28,688)</u>	<u>203,423</u>
Other Financing Uses:				
Refunds of Prior Years Expenditures	0	0	0	0
Refunds of Prior Years Revenue	(11,107)	0	0	(11,107)
TOTAL OTHER FINANCING USES	<u>(11,107)</u>	<u>0</u>	<u>0</u>	<u>(11,107)</u>
NET CHANGE IN FUND BALANCES	252,326	(31,322)	(28,688)	192,316
Fund Balance - January 1	2,497,461	214,528	81,389	2,793,378
FUND BALANCE - DECEMBER 31	<u>\$ 2,749,787</u>	<u>\$ 183,206</u>	<u>\$ 52,701</u>	<u>\$ 2,985,694</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
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, 2022

Total Net Change in Fund Balances - Governmental Funds		\$ 192,316
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlay	301,400	
Depreciation Expense	<u>(298,489)</u>	2,911
Repayment of bond principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement net position.		
		127,000
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(79,175)
Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net OPEB Liability	1,999,898	
Net Pension Liability	(2,482,933)	
Principal Payments of Capital Lease Obligations	37,514	
Accrued Interest on the Bonds	753	
Compensated Absences	<u>(7,982)</u>	<u>(452,750)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (209,698)</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Statement of Revenues, Expenses and
Changes in Net Position -
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 2,982,459	\$ 910,220	\$ 3,892,679
Miscellaneous Income	20	680	700
TOTAL OPERATING REVENUES	<u>2,982,479</u>	<u>910,900</u>	<u>3,893,379</u>
Operating Expenses:			
Salaries and Wages	\$ 33,694	\$ 160,418	194,112
Treatment Charges - Sewer Authorities	2,466,899	0	2,466,899
Treatment Charges - Waste Management Authorities	0	813,181	813,181
Repairs and Maintenance	11,582	0	11,582
Supplies	1,146	1,444	2,590
Other Services and Charges	111,310	76,800	188,110
Depreciation Expense	82,457	3,296	85,753
TOTAL OPERATING EXPENSES	<u>2,707,088</u>	<u>1,055,139</u>	<u>3,762,227</u>
OPERATING NCOME	<u>275,391</u>	<u>(144,239)</u>	<u>131,152</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	2,135	1,502	3,637
Interest Expense	(54,586)	0	(54,586)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(52,451)</u>	<u>1,502</u>	<u>(50,949)</u>
CHANGE IN NET ASSETS	<u>- 222,940</u>	<u>(142,737)</u>	<u>80,203</u>
Net Position - Beginning	<u>2,120,462</u>	<u>712,063</u>	<u>2,832,525</u>
NET POSITION - ENDING	<u>\$ 2,343,402</u>	<u>\$ 569,326</u>	<u>\$ 2,912,728</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	<u>Sewer Fund</u>	<u>Refuse Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash Received from Users	\$ 2,963,224	\$ 914,200	\$ 3,877,424
Cash Payments to Suppliers for Goods and Services	<u>(2,923,681)</u>	<u>(1,048,602)</u>	<u>(3,972,283)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>39,543</u>	<u>(134,402)</u>	<u>(94,859)</u>
Cash Flows From Capital and Related Financing Activities:			
Principal Paid on Debt Obligations	(183,700)	0	(183,700)
Proceeds from Borrowing	227,600	0	227,600
Capital Outlay	(227,601)		(227,601)
Interest Paid on Debt Obligations	<u>(54,586)</u>	0	<u>(54,586)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>(238,287)</u>	<u>0</u>	<u>(238,287)</u>
Cash Flows From Investing Activities:			
Investment Earnings	<u>2,135</u>	<u>1,502</u>	<u>3,637</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(196,609)	(132,900)	(329,509)
Cash and Cash Equivalents - Beginning	<u>591,000</u>	<u>540,762</u>	<u>1,131,762</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 394,391</u>	<u>\$ 407,862</u>	<u>\$ 802,253</u>

Reconciliation of Operating Loss to Net Cash Used by Operating Activities:

Operating Income	\$ 275,391	\$ (144,239)	\$ 131,152
Adjustments to Reconcile Operating Losss to Net Cash Used by Operating Activities:			
Depreciation Expense	82,457	3,296	85,753
Changes in Assets and Liabilities:			
Accounts Receivable	(28,628)	(52,848)	(81,476)
Due from Other Funds	0	56,148	56,148
Accounts Payable and Accrued Expenses	(1)	3,241	3,240
Due to Other Funds	<u>(289,676)</u>	<u>0</u>	<u>(289,676)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ 39,543</u>	<u>\$ (134,402)</u>	<u>\$ (94,859)</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Statement of Fiduciary Net Position
December 31, 2022

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 178,111	\$ 0	\$ 178,111
Investments (At Market Value)	5,899,452	839,329	6,738,781
Other Assets	<u>48,395</u>	<u>7,891</u>	<u>56,286</u>
TOTAL ASSETS	<u>\$ 6,125,958</u>	<u>\$ 847,220</u>	<u>\$ 6,973,178</u>
<u>NET POSITION</u>			
Reserve for Employees' Retirement Systems	<u>\$ 6,125,958</u>	<u>\$ 847,220</u>	<u>\$ 6,973,178</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2022

	Police Pension Fund	Municipal Pension Fund	Total (Memorandum Only)
Additions:			
Contributions	\$ 622,843	\$ 72,611	\$ 695,454
Investment Earnings:			
Net Appreciation in Fair Value of Investments	(1,201,300)	0	(1,201,300)
Investment Earnings (Depreciation)	111,635	(139,329)	(27,694)
TOTAL INVESTMENT EARNINGS (DEPRECIATION)	<u>(1,089,665)</u>	<u>(139,329)</u>	<u>(1,228,994)</u>
TOTAL ADDITIONS	<u>(466,822)</u>	<u>(66,718)</u>	<u>(533,540)</u>
Deductions:			
Pension Benefits	569,189	60,815	630,004
Other Services and Charges	9,350	0	9,350
TOTAL DEDUCTIONS	<u>578,539</u>	<u>60,815</u>	<u>639,354</u>
CHANGE IN NET POSITION	<u>(1,045,361)</u>	<u>(127,533)</u>	<u>(1,172,894)</u>
Net Position - Beginning	<u>7,171,319</u>	<u>974,753</u>	<u>8,146,072</u>
NET POSITION - ENDING	<u>\$ 6,125,958</u>	<u>\$ 847,220</u>	<u>\$ 6,973,178</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

The Borough's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Borough has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Borough has chosen not to do so. The more significant accounting policies established in GAAP and used by the Borough are discussed below.

A. Reporting Entity

The Borough is a municipal corporation existing under the laws of the Commonwealth of Pennsylvania. The Borough operates under a council-mayor form of government in accordance with the Pennsylvania Borough Code. Accounting principles generally accepted in the United States of America require that the financial statements present the Borough and its component units, entities for which the Borough is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Borough's operations and so data from these units are required to be combined with data of the primary Borough. Each discretely presented component unit, on the other hand, is required to be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the Borough.

Discretely Presented Component Unit:

The Yeadon Borough Public Library serves the residents of Yeadon Borough as well as the residents of Delaware County. The Library's governing board approves its own budget. However, the Library is fiscally dependent upon the Borough because it receives a substantial portion of its operating funds from them. The Library is presented as a governmental fund type and has a December 31 year end. Copies of the Library's financial statements may be obtained at the Library administrative office.

B. Basis of Presentation

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only a portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Borough.

The Borough reports the following major government funds:

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

Special Revenue Funds - The following governmental funds of the Borough are considered non-major (presented in a single column).

- The Motor License Fund accounts for receipts from state motor license fund to be used for highway related expenses and improvements and the transfer of funds to the General Fund to cover other allowable highway-related expenditures.
- The Vehicle Replacement Fund is a fund used to account for financial resources to be used for the acquisition of major vehicles.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Borough reports the following major proprietary funds:

Sewer Fund - The Sewer Fund is used to account for the operations of the Borough's sewer treatment systems.

Refuse Fund - The Refuse Fund is used to account for the activities of the Borough's trash collection operations. The primary source of revenue is from refuse collection fees.

Additionally, the Borough reports the following fund types:

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals, private organizations, or other governments. Pension Trust Funds are fiduciary funds which account for the activities of the Police and Municipal Pension Plans, which accumulate resources for the pension benefit payments to qualified employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Borough has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Borough's Enterprise Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

For purposes of the statements of cash flows of proprietary funds, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use restricted resources first, then unrestricted resources as they are needed.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

With the exception of the Pension Trust Funds, the Borough is permitted under state law to invest funds consistent with sound business practices in the following types of investments:

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, or (c) 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.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation 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 therefore shall be pledged by the depository.

Receivables and Payables

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

All trade and property tax receivables are shown net of any allowance for uncollectibles. The allowance for uncollectibles was \$94,875 at December 31, 2022.

Capital Assets

Capital assets, which include property, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-100 Years
Infrastructure	20-40 Years
Machinery, Vehicles, Furniture and Equipment	5-30 Years
Software	5 Years
Book Collection	5 Years

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Deferred Outflows of Resources

The Borough reports decreases in net assets that relate to future periods as deferred outflows of resources in the government-wide and proprietary funds statement of net position. The Borough reports deferred outflows of resources for the difference between projected and actual earnings on the Borough's defined benefit pension plan investments.

Deferred Inflows of Resources

The Borough's governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in fund balance that applies to a future period(s). Deferred inflows of resources are reported in the governmental funds for revenues that are not considered available. The Borough will not recognize the related revenues until they are available (collected not later than 60 days after the end of the Borough's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if any, are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

Government-Wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

Invested in Capital Assets, Net of Related Debt - Consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted - Consists of the capital projects fund fund-balance that is restricted by the Borough for capital outlays, as well as the special revenue funds fund-balances that are restricted for highway related expenses and the acquisition of motor vehicles.

Unrestricted - Consists of all other net position reported in this category.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts that can be used only for specific purposes because of state or federal laws, or externally imposed by grantors or creditors.

Committed - Amounts that can be used only for specific purposes determined by a formal action by the Board of Supervisors resolution.

Assigned - Amounts the Borough intends to use for a specific purpose. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board of Supervisors delegates the authority.

Unassigned - Amounts available for any purpose. Positive amounts are reported only in the General Fund.

The Borough Council establishes (and modifies and rescinds) fund balance commitments by passage of a resolution. The Borough's policy is to first apply expenditure toward restricted fund balances followed by committed fund balances and then to assigned fund balances before using unassigned fund balances.

NOTE 2 - Budgetary Information

Budgets are prepared on the same basis of accounting as the financial statements. Each fall, the Borough Council adopts an annual budget for the following year for the general and special revenue funds as set forth in the Borough code. Legal budgetary control is at the fund level.

Budget amounts are reported as originally adopted. Unexpended budget amounts lapse at the end of the year. The Council may take specific action to commit or assign fund equity.

NOTE 3 - Deposits and Investments

Deposits - At year end, the total carrying amount of the Borough's checking, savings and money market deposits was \$2,700,085, and the corresponding bank balance was \$3,001,524. By State statute, the Borough may appoint one or more depositories for Borough funds and approve collateral consisting of obligations of the United States of the Commonwealth of Pennsylvania, or any political subdivision thereof, deposited with the bank or trust company. Pennsylvania Act 72 of 1971, as amended, allows depositories to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 3 - Deposits and Investments (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a policy for custodial credit risk. In the normal course of business, the Borough may have deposits that exceed insured balances. The remaining balances over insured limits are covered by collateral held by the institution's trust department on a pooled basis not in the name of the Borough.

Custodial Credit Risk - Investments - For an investment, custodial risk is the risk that in the event of the 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 has no investments subject to custodial credit risk.

Investments - Statutes authorize the Borough to invest in U.S. Government Agency bonds, time or share accounts or institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's Investment pools, or mutual funds.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. The Borough has no 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 investment policy that would limit its investment choices to certain credit ratings.

Concentration of Credit Risk - The Borough does have an investment policy that addresses the amount the Borough may invest in one issuer.

The Borough's investments at December 31, 2022 consisted of the following:

	<u>Market Value</u>	<u>Credit Rating</u>
<u>Police Pension Plan:</u>		
Mutual Funds - Exchange Traded Funds	<u>\$ 5,899,452</u>	Not Applicable
<u>Municipal Pension Plan:</u>		
Mutual Funds - Bonds	<u>839,329</u>	Not Applicable
TOTAL INVESTMENTS - FIDUCIARY FUNDS	<u>\$ 6,738,781</u>	

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 4 - Taxes Receivable

	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
Real Estate Taxes	\$ 812,738	\$ 0	\$ 812,738
Earned Income Taxes	476,828	0	476,828
TOTAL TAXES RECEIVABLE	<u>\$1,289,566</u>	<u>\$ 0</u>	<u>\$1,289,566</u>

At the end of the current fiscal year, the Borough reported deferred inflows of resources, related to unavailable real estate tax revenue, in the amount of \$358,715 in the governmental funds.

NOTE 5 - Accounts Receivable

	<u>General Fund</u>	<u>Proprietary Funds</u>
Fees	\$ 131,608	\$1,327,523
Franchise Fee - Cable TV Receivable	37,252	0
	168,860	1,327,523
Less: Allowance for Uncollectibles	0	(94,875)
ACCOUNTS RECEIVABLE	<u>\$ 168,860</u>	<u>\$1,232,648</u>

NOTE 6 - Interfund Receivables and Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 591,771	\$ 42,427
Motor License Fund	0	72,968
Vehicle Replacement Fund	42,427	0
Sewer Fund	0	409,129
Refuse Fund	285,605	397,310
Capital Projects Fund	2,031	0
	<u>\$ 921,834</u>	<u>\$ 921,834</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 7 - Capital Assets

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets:				
Land	\$ 404,957	\$ 0	\$ 0	\$ 404,957
Building Improvements	2,683,351	0	0	2,683,351
Infrastructure	2,368,664	301,400	0	2,670,064
Machinery, Vehicles, Furniture and Equipment	2,548,075	0	0	2,548,075
Software	21,040	0	0	21,040
TOTAL CAPITAL ASSETS	<u>8,026,087</u>	<u>301,400</u>	<u>0</u>	<u>8,327,487</u>
Accumulated Depreciation for:				
Buildings and Improvements	1,357,523	73,949	0	1,431,472
Infrastructure	1,214,250	103,258	0	1,317,508
Machinery, Vehicles, Furniture and Equipment	2,055,435	121,282	0	2,176,717
Software	21,040	0	0	21,040
TOTAL ACCUMULATED DEPRECIATION	<u>4,648,248</u>	<u>298,489</u>	<u>0</u>	<u>4,946,737</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$3,377,839</u>	<u>\$ 2,911</u>	<u>\$ 0</u>	<u>\$3,380,750</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets:				
Infrastructure	\$4,499,319	227,600	\$ 0	\$4,726,919
Equipment	342,475	0	0	342,475
TOTAL CAPITAL ASSETS	<u>4,841,794</u>	<u>227,600</u>	<u>0</u>	<u>5,069,394</u>
Accumulated Depreciation for:				
Infrastructure	848,101	82,457	0	930,558
Equipment	335,227	3,296	0	338,523
TOTAL ACCUMULATED DEPRECIATION	<u>1,183,328</u>	<u>85,753</u>	<u>0</u>	<u>1,269,081</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$3,658,466</u>	<u>\$1,088,138</u>	<u>\$ 0</u>	<u>\$3,800,313</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 7 - Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Unit Activities:				
Capital Assets:				
Furniture and Equipment	\$ 119,490	\$ 25,642	\$ 0	\$ 145,132
Improvements	<u>139,457</u>	<u>0</u>	<u>0</u>	<u>139,457</u>
TOTAL CAPITAL ASSETS	<u>249,084</u>	<u>25,642</u>	<u>0</u>	<u>284,589</u>
Accumulated Depreciation for:				
Furniture and Equipment	68,676	15,445	0	84,121
Improvements	<u>30,693</u>	<u>4,042</u>	<u>0</u>	<u>34,735</u>
TOTAL ACCUMULATED DEPRECIATION	<u>99,369</u>	<u>19,487</u>	<u>0</u>	<u>118,856</u>
 COMPONENT UNIT ACTIVITIES CAPITAL ASSETS, NET	 <u>\$ 159,578</u>	 <u>\$ 6,155</u>	 <u>\$ 0</u>	 <u>\$ 165,733</u>
 Book Collection:				
Exhaustible Book Collection	\$ 467,262	\$ 34,800	\$ 0	\$ 502,062
Accumulated Depreciation for:				
Exhaustible Book Collection	<u>313,738</u>	<u>31,167</u>	<u>0</u>	<u>344,905</u>
 COMPONENT UNIT ACTIVITIES BOOK COLLECTION, NET	 <u>\$ 153,524</u>	 <u>\$ 3,633</u>	 <u>\$ 0</u>	 <u>\$ 157,157</u>

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

Governmental Activities – Unallocated	\$ 298,489
Business-Type Activities – Unallocated	85,753
Component Unit - Yeadon Public Library	<u>50,654</u>
 TOTAL DEPRECIATION EXPENSE	 <u>\$ 434,896</u>

NOTE 8 - Changes in Other Long-Term Liabilities

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2022</u>
Governmental Activities:				
Accrued Severance and Sick Days	<u>\$ 154,599</u>	<u>\$ 7,982</u>	<u>\$ 0</u>	<u>\$ 162,561</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 9 - Long-Term Debt

	<u>Principal Outstanding January 1, 2022</u>	<u>Maturities</u>	<u>Additions</u>	<u>Principal Outstanding December 31, 2022</u>
General Obligation Notes Series A of 2010	\$ 521,000	\$ 126,000	\$ 0	\$ 395,000
General Obligation Notes Series B of 2010	499,000	1,000	0	498,000
General Obligation Notes Series 2010 Sewer Revenue Notes	996,000	98,000	0	898,000
Note Payable Sewer Loan	<u>1,173,891</u>	<u>85,700</u>	<u>227,600</u>	<u>1,315,791</u>
LONG-TERM DEBT	<u>\$3,189,891</u>	<u>\$ 310,700</u>	<u>\$227,600</u>	<u>\$ 3,106,791</u>

	<u>Current Outstanding Principal</u>
General Obligation Notes, Series A of 2010. Original principal amount of \$1,665,000, maturing through June 25, 2025, bearing interest at a variable rate. Interest is payable monthly on the 25th.	\$ 395,000
General Obligation Notes, Series B of 2010. Original principal amount of \$510,000, maturing through June 25, 2030, bearing interest at a variable rate. Interest is payable monthly on the 25th.	498,000
General Obligation Notes, Sewer Revenue Note, Series 2010. Original principal amount of \$1,900,000, maturing through June 25, 2030, bearing interest at a variable rate. Interest is payable monthly on the 25th.	898,000
Note Payable - Sewer revolving loan. Original loan amount is \$1,782,451, of which \$258,258 has been drawn as of 12/31/20. Interest only payments for the first 36 months, adjusted to 1.497% for years one through five, and 2.056% thereafter.	<u>1,315,791</u>
TOTAL	<u>\$ 3,106,791</u>

The annual requirements to amortize all debts outstanding as of December 31, 202 are as follows:

<u>Year Ended:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 232,000	\$ 80,712	\$ 312,712
2024	326,000	72,582	398,582
2025	329,000	65,858	394,858
2026	199,000	64,585	263,585
2027	199,000	48,251	247,251
2028-2038	<u>1,821,791</u>	<u>108,858</u>	<u>1,930,649</u>
TOTAL MATURITIES	<u>\$ 3,106,791</u>	<u>\$ 440,846</u>	<u>\$ 3,547,637</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 9 - Long-Term Debt (Continued)

Interest Rate Management Plan

The Series A of 2010 Notes, Series B of 2010 Notes, and the Sewer Revenue Series 2010 were issued to the Delaware Valley Regional Finance Authority (DVRFA). In order to provide funds for loans (Loan Program) the DVRFA has issued Local Government Revenue Bonds (DVRFA Bonds). The DVRFA has entered into an interest rate swap agreement with Bank of America, N.A.(BOA), secured by municipal bond insurance policies in the loan program and to enhance the ability of participants to manage their interest rate risks. The DVRFA Swap Agreement is a "Qualified Interest Rate Management Agreement" as such term is defined in the Pennsylvania *Local Government Unit Debt Act*.

Under the terms of the loan agreements, the interest payments due from the borough are calculated to fund:

- The debt service payments on the DVRFA bonds.
- The net payments due under the DVRFA Swap Agreement.
- All other costs and expenses necessary for the operation of the Loan Program, amounts required to maintain the liquidity of the Loan Program, and any termination payment due under the DVRFA Swap Agreement

Interest Rate Risk - The Borough has the option under the loan agreements to pay a variable rate of interest or a fixed rate. If the Borough elects the variable rate, the interest rate, based upon the Securities Industry and Financial Markets Association Index (SIFMA Index), adjusts weekly with a maximum interest rate at the Borough of 15%. If the Borough elects a fixed rate, the rate, with terms and conditions selected by the Borough, would be set based upon the fixed rate swap market at that time with a new confirm executed by DVRFA and BOA under the DVRFA Swap Agreement. The Borough has the option to convert all or a portion of the variable rate notes to a fixed rate at any time to mitigate the exposure to rising short-term interest rates.

Since the Borough is not considered to be a signatory on the current interest rate swap agreements between DVRFA and BOA, management has concluded that the Borough would not be required to report the transaction in accordance with Governmental Accounting Standards Board (GASB) No. 53 Accounting and Financial Reporting for Derivative Instruments. Therefore, the fair value of the interest rate swap agreements is not recorded on the statement of net position. In addition, no evaluation has been made to whether the interest rate swaps are effective cash flow hedges.

Credit Risk - Rating downgrades by Moody's and Standard & Poor's ("S&P") can precipitate collateralization requirements under the DVRFA Swap Agreement. The failure to post collateral when it is required constitutes an event of default under the DVRFA Swap Agreement and may result in termination.

- If the long term, unsecured, senior debt ratings of BANA are reduced below "A2" by Moody's or "A" by S&P and if DVRFA would receive a payment from BOA upon termination, BOA is required to post collateral equal to the market value of each of the swap agreements executed with DVRFA. BOA's current ratings are "Aa3/A+", with stable outlooks by Moody's and S&P, respectively.
- If the long term, unsecured, senior debt ratings of BOA are downgraded below "Baa3" by Moody's and "BBB-" by S&P, DVRFA may terminate the swap agreements executed by BOA. If (i) the claims paying ability ratings of Ambac are reduced below "Baa3" by Moody's or "BBB-" by S&P and (ii) DVRFA has defaulted or DVRFA does not have published ratings of at least "Baa3" by Moody's and "BBB-" by S&P, BOA may terminate the DVRFA Swap Agreements.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 9 - Long-Term Debt (Continued)

Interest Rate Management Plan (Continued)

Termination Risk - The Borough is obligated to pay a termination payment associated with the portion of the DVRFA Swap Agreement allocable to the applicable note. A termination payment may be incurred due to the termination of all or a portion of the DVRFA Swap Agreement with the mutual consent of DVRFA, BOA, Ambac, and the Borough. These termination payments could be triggered in the event of (i) a payment default by the Borough under the Loan Agreement, (ii) a payment default by DVRFA, BOA or Ambac under the DVRFA Swap Agreement, (iii) the occurrence of events that may precipitate a payment default by DVRFA, BOA or Ambac, or (iv) the downgrading of the claims paying ability of Ambac or long term, unsecured, senior debt rating of DVRFA or BOA. In all instances of termination except a payment default on the note converted to a fixed rate, DVRFA would seek to replace the DVRFA Swap Agreement with a new interest rate swap agreement with similar terms and conditions.

The amount of the termination payment is determined by the market value of the DVRFA Swap Agreement; therefore, the cost or income of the replacement swap should offset the cost or income from the Termination Payment. DVRFA may not be able to secure the replacement interest rate swap if the swap market is not functioning normally or if DVRFA does not have access to the swap market.

The estimated termination payment (i.e., the market value) for the DVRFA Swap Agreement allocable to the Borough's notes as of December 31, 2022, is shown in the table below. In the event of a termination payment, DVRFA would assess the net loss, if any, to the Borough. Any net gain on the termination payment allocable to variable rate Notes would be retained by DVRFA.

<u>Type</u>	<u>Option Selected</u>	<u>Notional Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Income (Loss)</u>
GON Series A of 2010	Fixed	\$ 498,000	1/25/2010	6/25/2030	\$ 18,036
GON Series B of 2010	Fixed	\$ 395,000	9/15/2010	6/25/2025	\$ (17,822)
Sewer Notes - Note A	Fixed	\$ 390,000	1/25/2010	6/25/2030	\$ (330)
Sewer Notes - Note B	Fixed	\$ 395,000	1/25/2010	6/25/2030	\$ (524)
Sewer Notes - Note V	Variable	\$ 103,000	1/25/2010	6/25/2030	\$ 4,330

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 10 - Capital Leases

Governmental Activities

Assets recorded under capital leases, included in machinery, vehicles, furniture and equipment in the governmental activities schedule of capital assets in Note 7, are as follows:

Machinery, Vehicles, Furniture and Equipment	\$ 936,647
Less: Accumulated Depreciation	<u>774,486</u>
	<u>\$ 162,161</u>

Amortization of equipment under capital leases is included in depreciation expense.

The following is a schedule of future minimum lease payments under capital leases together with the present value of net minimum lease payments as of December 31, 2020:

2023	\$41,514
Less: Amount Representing Interest	<u>4,342</u>
PRESENT VALUE OF MINIMUM PAYMENTS	<u>\$ 37,172</u>
Current Portion	\$ 37,172
Long-Term Portion	<u>0</u>
TOTAL	<u>\$ 37,172</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 11 - Property Tax

Property taxes attach as an enforceable lien on property as of March 1 of the following year. Taxes are levied on February 1 and payable in the following periods:

- Discount Period - February 1 to March 31 - 2% of Gross Levy
- Flat Period - April 1 to May 31
- Penalty Period - June 1 to Collection - 10% of Gross Levy

The following is a detail analysis of current year tax revenues:

Assessed Valuation, Adjusted by	
Authorized Revisions	\$ 345,626,289
Approved Tax Rate in Mills	9.89
GROSS LEVY	<u>3,174,627</u>
Plus Penalties Applied and Double Payments	11,588
Deductions:	
Discounts	35,582
Taxes Receivable	288,882
NET TAXES COLLECTED	<u><u>\$ 3,105,368</u></u>

NOTE 12 - Defined Benefit Pension Plan

Plan Description

The Borough contributes to a public employee retirement system (PERS), for its uniformed employees. The Police Pension Plan (uniformed) is a single employer PERS, administered by the Borough. The plan is a defined benefit pension plan. The Police Pension Plan covers all full-time uniformed employees.

Pension plan financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

Police Pension Plan - Members may retire upon reaching age 50 and completion of 25 years of service. Early retirement may occur after 20 years of service; vesting occurs after completion of 12 years of vesting service. Retirement benefit is equal to 50% of the average monthly compensation averaged over the last 36 months, plus an additional service increment of \$100 per month if the member has 26 years of service or more up to a maximum of \$300. Survivor benefit is available at 50% of pension if a member is retired or eligible for retirement. Disability benefit if service related is 75% of base salary at the time of disability offset by social security benefits for the same injury. An active member who has met the eligibility requirements for normal retirement may elect to participate in the Act 44 Deferred Retirement Option Program for a period of up to 36 months. Member contributions are 5% of pay. Interest is credited to members' contributions at the rate of 4.5%.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 12 - Defined Benefit Pension Plan (Continued)

Plan Membership

The following table provides information concerning types of covered employees and benefit provisions for the Police Pension Plan as of December 31, 2022:

	<u>Police</u>
Inactive plan members currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>16</u>
TOTAL	<u><u>35</u></u>

Contributions

Pennsylvania Act 205 of 1984 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation ("MMO"), which is based on the Plans' biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The state provides an allocation of funds, which must be used for pension funding. Any financial requirement established by the MMO which exceeds state and member contributions must be funded by the employer.

Police participants are required to contribute 5% of their compensation to the plan. This contribution is governed by the plan's governing ordinances and collective bargaining. Administrative costs, which may include but are not limited to investment management fees and actuarial services, are charged to the Plans and funded through the MMO and/or plan earnings.

Investments

Investment Policy - The plans' investment policy in regard to the allocation of invested assets is established and may be amended by the Borough Council and Pension Board. The objective of the investment strategy is to provide modest capital appreciation and income by balancing reasonable return expectations with appropriate levels of risk. The plans' formal investment policy statement, which is revised periodically, provides more comprehensive details on investment strategy and authorized investments.

The plans' investment policy establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equities	49.00%	5.45%
International Equities	21.00%	5.88%
Fixed Income	27.00%	(.01)%
Cash	<u>3.00%</u>	<u>(1.16)%</u>
	<u><u>100.00%</u></u>	<u><u>3.87%</u></u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 12 - Defined Benefit Pension Plan (Continued)

Investments (Continued)

The long-term expected rate of return on pension plan investments was determined using an asset allocation study conducted by the plan's investment management consultant in December 2022 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2022 are listed in the table above.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributable to the magnitude of a plan's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The plans do have a formal investment policy that addresses concentrations of credit risk. As of December 31, 2022, no investment in any one organization represented 5% or more of the plan's respective fiduciary net position.

Rate of Return - For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (16.08)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Police Pension)

	<u>Total Police Pension Liability</u>	<u>Police Plan Fiduciary Net Position</u>	<u>Net Police Pension Liability</u>
Beginning Balance - January 1, 2022	\$9,170,382	\$7,171,319	\$1,999,063
Changes For the Year:			
Service Cost	270,570	0	270,570
Interest	688,649	0	688,649
Differences Between Expected and Actual Experience	0	0	
Changes of Assumptions	0	0	0
Benefit Payments	(569,189)	(569,189)	0
Contributions - State Aid & Employer	0	534,306	(534,306)
Contributions - Member	0	88,537	(88,537)
Net Investment Income	0	(1,089,664)	1,089,664
Administrative Expenses	0	(9,350)	9,350
NET CHANGES	<u>390,030</u>	<u>(1,045,360)</u>	<u>(476,171)</u>
 BALANCE - DECEMBER 31, 2022	 <u>\$9,560,412</u>	 <u>\$6,125,959</u>	 <u>\$ 3,434,453</u>

Plan fiduciary net position as a percentage of the total pension liability related to the police pension at December 31, 2022 was 64.1%.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 12 - Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Police Pension) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Police Pension) - The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	<u>1% Decrease</u> <u>6.75%</u>	<u>Current</u> <u>Discount Rate</u> <u>7.75%</u>	<u>1% Increase</u> <u>8.75%</u>
Net Pension Liability	\$ 4,365,219	\$ 3,434,453	\$ 2,639,840

For the year ended December 31, 2022, the Borough recognized pension expense of \$167,410 related to the police pension. At December 31, 2022, the Borough reported deferred outflows of resources related to the police pension from the following sources:

	<u>Deferred</u> <u>Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Difference between Expected and Actual Experience	\$ 55,550	\$ 96,993
Changes in Assumptions	325,065	0
Net Difference between Projected and Actual Investment Earnings	873,692	0
	<u>\$ 1,254,307</u>	<u>\$ 96,993</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year ending December 31:</u>	
2023	\$ 144,524
2024	262,441
2025	314,706
2026	367,343
2027	39,943
Thereafter	28,357
Total	<u>\$ 1,157,314</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 12 - Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Police Pension)

The total pension liability as of December 31, 2022 was determined by rolling forward the System's total pension liability as of the January 1, 2022 actuarial valuation to December 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation - 2.25%
- Salary increases - 5.50%
- Investment rate of return – 7.75% (net of pension plan investment expenses, including inflation)
- Retirement Age - 50
- Mortality rates were based on the Blue Collar RP-2000 Mortality Tables projected to 2017 using Scale AA.

Discount Rate - The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that municipal contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the police pension plan's fiduciary net position was projected to be available to make all 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 payments to determine the total pension liability.

NOTE 13 - Defined Contribution Pension Plan

The Borough contributes to a public employee retirement system (PERS), for its non-uniformed employees. The Non-Uniformed Pension Plan is a single employer PERS, administered by the Borough. The plan is a defined contribution pension plan. The Non-Uniformed Pension Plan covers all full-time non-uniformed employees.

Pension plan financial statements are prepared using the accrual basis of accounting. Plan pension payments and member/employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value.

Non-Uniformed Pension Plan

The Plan was initially established on January 1, 2001, but was revised on October 1, 2004. Members hired prior to October 1, 2004 are considered 100% vested in the Plan. Members hired on or after October 1, 2004 are 100% vested after 5 years or more of service.

Plan Membership

As of December 31, 2022, membership consisted of 14 active members.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 14 - Other Post-Employment Benefits

Plan Description

The Borough provides a defined benefit post-employment healthcare benefit, which provides medical benefits to eligible retirees and their spouses. The plan is available for the Borough's uniformed employees. All uniformed employees are eligible for the plan after reaching a minimum age of 50 and completing 25 years of service for the Borough.

Funding Policy

As of December 31, 2022, the Borough has not segregated assets to fund this liability. It is the intention of the Borough to pay healthcare premiums and costs as they are incurred.

Employee Covered by the Plan

Membership in the OPEB plan consisted of the following at January 1, 2022

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	11
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	16
	<hr/>
	<u>27</u>

Actuarial Methods and Assumptions

In the January 1, 2022 actuarial valuation, the following actuarial assumptions were used:

Economic Assumptions

- Inflation Rate - 2.24%
- Salary Increase Rate(s) - 5.5%
- Discount Rate - 2.25%
- Initial Trend Rate - 0.00%
- Ultimate Trend Rate - 3.45%
- Years to Ultimate - 54

All mortality rates were based on the 2010 Public Safety Amount Based mortality tables projected 5 years past the valuation date using mortality improvement scale MP-2020.

Discount Rate

Given the Borough's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.25%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 14 - Other Post-Employment Benefits (Continued)

Changes in Net OPEB Liability

The following table shows the components of the Borough Net OPEB liability, which include costs for the year, the amount actually contributed to the plan and the changes in the Borough's Net OPEB liability.

Net OPEB Liability:	
Balance as of January 1, 2022	\$ 9,119,784
Service Cost	537,914
Interest	214,596
Difference Between Expected and Actual Experience	0
Changes in Assumptions & Cost Method	(2,610,895)
Benefit Payments	<u>(241,513)</u>
 NET OPEB LIABILITY AS OF DECEMBER 31, 2022	 <u>\$ 7,019,886</u>

Differences Between Expected and Actual Experience reflects the impact of changes to the census and healthcare premiums that were higher or lower than projected from the prior valuation to the valuation as of January 1, 2022.

Changes of Assumptions reflect a change in the discount rate from 2.25% for the reporting period ended December 31, 2021, to 4.31% for the reporting period ended December 31, 2022. Also reflected as assumption changes are updated health care cost trend rates as well as mortality tables.

Net OPEB Liability Sensitivity - Discount Rate

The following presents the Total OPEB Liability of the Borough, as well as what the Borough's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage-point higher than the current discount rate:

	1% Decrease <u>3.31%</u>	Current Discount Rate <u>4.31%</u>	1% Increase <u>5.31%</u>
Net OPEB Liability	\$ 8,137,857	\$ 7,019,886	\$ 6,115,636

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 14 - Other Post-Employment Benefits (Continued)

Net OPEB Liability Sensitivity – Healthcare Trend

The following presents the Total 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 one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates::

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 5,898,302	\$ 7,019,886	\$ 8,455,278

OPEB Expense

For the year ended December 31, 2022, the Borough will recognize OPEB expense of \$690,552

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 168,969	\$ 0
Changes in Assumptions	1,162,183	3,555,489
	<u>\$ 1,331,152</u>	<u>\$ 3,555,489</u>

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

<u>Year ending December 31:</u>	
2023	\$ (61,958)
2024	(127,192)
2025	(392,952)
2026	(634,624)
2027	(634,626)
Thereafter	<u>(372,985)</u>
Total	<u>\$ (2,224,337)</u>

BOROUGH OF YEADON
Notes to Financial Statements
December 31, 2022

NOTE 15 - Deficit Net Position

A deficit of \$5,972,281 exists in the District's Governmental Activities net position as of December 31, 2022. The deficit is a result of the District's adoption of Government Accounting Standards Board Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

NOTE 16 - Subsequent Events

The Borough has evaluated subsequent events through April 2, 2025, which represents the date the financial statements were available to be issued.

BOROUGH OF YEADON
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:				
Real Estate Taxes	\$ 3,265,615	\$ 3,265,615	\$ 3,105,368	\$ (160,247)
Earned Income Tax	2,003,750	2,003,750	2,271,992	268,242
Transfer Taxes	176,523	176,523	405,221	228,698
Local Services Tax	82,000	82,000	86,281	4,281
Licenses and Permits	345,200	345,200	431,622	86,422
Fines and Forfeits	141,300	141,300	105,198	(36,102)
Intergovernmental	724,138	724,138	607,943	(116,195)
Act 205 Pension	297,850	297,850	332,090	34,240
Charges for Services	46,769	46,769	106,659	59,890
Franchise Fee - Cable TV	190,000	190,000	183,952	(6,048)
Public Utility Tax	5,200	5,200	5,245	45
Investment Earnings	69,650	69,650	7,915	(61,735)
Miscellaneous	398,447	398,447	133,035	(265,412)
TOTAL REVENUES	<u>7,746,442</u>	<u>7,746,442</u>	<u>7,782,521</u>	<u>36,079</u>
Expenditures:				
General Government	1,330,651	1,330,651	1,334,185	(3,534)
Public Safety	3,994,931	3,994,931	3,891,884	103,047
Public Works	830,064	830,064	579,316	250,748
Library	458,808	458,808	393,274	65,534
Culture and Recreation	84,279	84,279	90,897	(6,618)
Insurance	410,835	410,835	434,405	(23,570)
Debt Service	287,881	287,881	260,821	27,060
Pension	534,306	534,306	534,306	0
TOTAL EXPENDITURES	<u>7,931,755</u>	<u>7,931,755</u>	<u>7,519,088</u>	<u>412,667</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(185,313)	(185,313)	263,433	448,746
Other Financing Sources (Uses):				
Refunds of Prior Years' Revenues	0	0	(11,107)	(11,107)
Refunds of Prior Years' Expenditures	212,162	212,162	0	(212,162)
TOTAL OTHER FINANCING SOURCES (USES)	<u>212,162</u>	<u>212,162</u>	<u>(11,107)</u>	<u>(223,269)</u>
NET CHANGE IN FUND BALANCE	26,849	26,849	252,326	225,477
Fund Balance - January 1, 2022	<u>2,497,461</u>	<u>2,497,461</u>	<u>2,497,461</u>	<u>0</u>
FUND BALANCE - DECEMBER 31, 2022	<u>\$ 2,524,310</u>	<u>\$ 2,524,310</u>	<u>\$ 2,749,787</u>	<u>\$ 225,477</u>

BOROUGH OF YEADON

Schedule of Changes in the Net Police Pension Plan Liability and Related Ratios (Unaudited)
For the Year Ended December 31, 2022

	2022	2021	2020	2019	2018	2017	2016
Total Police Pension Liability:							
Service Cost	270,570	238,018	185,022	175,376	158,697	150,424	126,876
Interest	688,649	679,211	649,201	626,700	593,429	582,663	602,096
Changes of Benefit Terms	0	0	0	0	27,905	0	0
Differences Between Expected and Actual Experience	0	(130,965)	0	154,302	0	(439,395)	0
Changes of Assumptions	0	438,923	0	0	0	21,492	0
Benefit Payments	(569,189)	(545,679)	(546,690)	(514,225)	(500,209)	(769,164)	(385,899)
NET CHANGE IN TOTAL POLICE PENSION LIABILITY	390,030	679,508	287,533	442,153	279,822	(453,980)	343,073
Total Police Pension Liability - Beginning	9,170,382	8,490,874	8,203,341	7,761,188	7,481,366	7,935,346	7,592,273
TOTAL POLICE PENSION LIABILITY - ENDING	<u>\$ 9,560,412</u>	<u>\$ 9,170,382</u>	<u>\$ 8,490,874</u>	<u>\$ 8,203,341</u>	<u>\$ 7,761,188</u>	<u>\$ 7,481,366</u>	<u>\$ 7,935,346</u>
Plan Fiduciary Net Position							
Contributions - State Aid	309,148	249,459	211,725	240,663	192,060	192,707	170,611
Contributions - Employer	225,158	217,875	231,620	135,797	156,865	112,271	72,591
Contributions - Member	88,537	87,760	82,511	70,538	76,403	64,782	59,536
Net Investment Income (Loss)	(1,089,664)	780,384	794,032	958,630	(305,117)	722,082	326,763
Benefit Payments	(569,189)	(545,679)	(546,690)	(514,225)	(500,209)	(769,164)	(385,899)
Administrative Expense	(9,350)	(11,400)	(6,800)	(11,200)	(8,000)	(5,500)	(5,183)
NET CHANGE IN POLICE PENSION FIDUCIARY NET POSITION	(1,045,360)	778,399	766,398	880,203	(387,998)	317,178	238,419
Total Police Pension Fiduciary Net Position - Beginning	7,171,319	6,392,920	5,626,522	4,746,319	5,134,317	4,817,139	4,578,720
NET POLICE FIDUCIARY NET POSITION, ENDING	<u>6,125,959</u>	<u>7,171,319</u>	<u>6,392,920</u>	<u>5,626,522</u>	<u>4,746,319</u>	<u>5,134,317</u>	<u>4,817,139</u>
NET POLICE PENSION LIABILITY - ENDING	<u>\$ 3,434,453</u>	<u>\$ 1,999,063</u>	<u>\$ 2,097,954</u>	<u>\$ 2,576,819</u>	<u>\$ 3,014,869</u>	<u>\$ 2,347,049</u>	<u>\$ 3,118,207</u>
Plan Fiduciary Net Position as a Percentage of the Total Police Pension Plan Liability	<u>64.08%</u>	<u>78.20%</u>	<u>75.29%</u>	<u>68.59%</u>	<u>61.15%</u>	<u>68.63%</u>	<u>60.70%</u>
Covered Employee Payroll	<u>\$ 1,885,898</u>	<u>\$ 1,720,000</u>	<u>\$ 1,414,406</u>	<u>\$ 1,653,360</u>	<u>\$ 1,292,006</u>	<u>\$ 1,206,148</u>	<u>\$ 959,874</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	<u>182.11%</u>	<u>116.22%</u>	<u>148.33%</u>	<u>155.85%</u>	<u>233.35%</u>	<u>194.59%</u>	<u>324.86%</u>

SCHEDULE OF INVESTMENT RETURNS

	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>-16.08%</u>	<u>12.93%</u>	<u>15.49%</u>	<u>21.04%</u>	<u>-6.47%</u>	<u>16.60%</u>	<u>7.89%</u>

BOROUGH OF YEADON
Schedule of Pension Plan Contributions
For the Year Ended December 31, 2022

UNIFORMED EMPLOYEES' PERS

<u>Fiscal Year</u>	<u>Actuarilly Determined Contribution</u>	<u>Contributions in Relation to Actuarilly Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2014	\$ 250,751	\$ 250,751	\$ 0	\$ 1,210,724	20.71%
2015	243,786	243,786	0	920,986	26.47%
2016	243,202	243,202	0	959,874	25.34%
2017	304,978	304,978	0	1,206,148	25.29%
2018	348,925	348,925	0	1,292,006	27.01%
2019	376,460	376,460	0	1,653,360	22.77%
2020	443,345	443,345	0	1,414,406	31.34%
2021	467,334	467,334	0	1,720,000	27.17%
2022	534,306	534,306	0	1,885,898	28.33%

BOROUGH OF YEADON

Schedule of Changes in the Net OPEB Liability and Related Ratios (Unaudited)
For the Year Ended December 31, 2022

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service Cost	537,914	692,181	498,153	326,162	245,075	232,299
Interest	214,596	209,903	196,995	254,197	186,793	179,031
Changes of Benefit Terms	0	0	0	374,386	0	0
Differences Between Expected and Actual Experience	0	13,136	0	528,579	0	0
Changes of Assumptions	(2,610,895)	(1,844,611)	1,896,962	855,835	0	0
Benefit Payments	(241,513)	(241,490)	(226,670)	(252,861)	(190,662)	(179,931)
NET CHANGE IN TOTAL POLICE PENSION LIABILITY	(2,099,898)	(1,170,881)	2,365,440	2,086,298	241,206	231,399
Total Police Pension Liability - Beginning	9,119,784	10,290,665	7,925,225	5,838,927	5,597,721	5,366,322
TOTAL POLICE PENSION LIABILITY - ENDING	\$ 7,019,886	\$ 9,119,784	\$ 10,290,665	\$ 7,925,225	\$ 5,838,927	\$ 5,597,721
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 1,499,746	\$ 1,421,560	\$ 1,274,303	\$ 1,207,870	\$ 1,626,231	\$ 1,541,451
Net Pension Liability as a Percentage of Covered Employee Payroll	468.07%	641.53%	807.55%	656.13%	359.05%	363.15%