

**BOROUGH OF HELLERTOWN**

**FINANCIAL STATEMENTS,  
INDEPENDENT AUDITOR'S REPORT,  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Borough Council  
Borough of Hellertown  
Hellertown, Pennsylvania

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough as of December 31, 2023 and the respective changes in financial position-modified cash basis and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter — Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

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omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, statement of revenues received, expenditures paid and changes in fund balance – modified cash basis – budget and actual – general fund, schedule of employer contributions – police pension plan, schedule of investment returns – police pension plan, schedule of changes in net pension liability and related ratios – police pension plan, schedule of contributions to the OPEB plans, and schedule of changes in the total OPEB liability and related ratios on pages 4-9 and 40-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

The combining balance sheet – modified cash basis – special revenue funds, combining statement of revenues received, expenditures paid and changes in fund balance – modified cash basis – special revenue funds, and statements of revenue received, expenditures paid, and changes in fund balance – modified cash basis – budget and actual, fire fund and liquid fuels fund on pages 46-49 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedule



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of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania  
June 27, 2024

BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023

The Borough of Hellertown's discussion and analysis provides an overview of the Borough's financial activities for the fiscal year ended December 31, 2023. Since this information is focused on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the Borough's financial statements beginning on page 10.

FINANCIAL HIGHLIGHTS

- The net position of the primary government (excluding pensions and agency funds) increased \$216,061 during 2023. This is primarily due to an overall decrease in expenditures in 2023.
- The General Fund balance increased \$544,535 primarily due to an excess of revenue over expenditures in 2023.
- The net position of the Sanitation Fund increased by \$13,951 in 2023. This is attributed to an increase in overall revenue in 2023.
- Overall, the Borough of Hellertown had a total of \$1,871,651 in outstanding debt as of December 31, 2023.

USING THIS ANNUAL REPORT

The annual reports consist of two parts: Management's Discussion and Analysis (this section) and the basic Financial Statements. The basic financial statements include a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities - Modified Cash Basis on pages 10 and 11 provide information about the activities of the Borough as a whole and present a longer term view of the Borough's finances. Fund financial statements start on page 12. For government activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Borough's operations in more detail than the government wide statements by providing information about the Borough's most significant funds. Since Hellertown Borough is a general purpose government, we have elected to combine fund financial statements into government wide financial statements for single presentation. 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 the government.

REPORTING ON THE BOROUGH AS A WHOLE

The analysis of the Borough as a whole begins on page 5. One of the most important questions asked about the Borough's finances is "Is the Borough as a whole better or worse off as a result of the year's activities?" The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis report information about the Borough as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the modified cash basis of accounting, which recognizes revenue when received and expenses when paid.

These two statements report the Borough's net position and changes in them. You can think of the Borough's net position – the difference between assets and liabilities – as one way to measure the Borough's financial health, or financial position. Over time, increases or decreases in the Borough's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Borough's property tax base and the condition of the Borough's roads, to assess the overall health of the Borough.

In the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, the Borough presents Governmental and Business Type Activities. All of the Borough's basic services are reported here. The Borough's Governmental Activities include the General Fund, Special Revenue Funds (includes Liquid Fuels, Fire Protection Fund, and American Rescue Plan Fund), Debt Service Fund and Capital Projects Funds (includes Fire Capital Fund). These funds are explained in more detail on page 21. The Borough has one Business Type Activity that is its Sanitation Fund.

BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023

REPORTING THE BOROUGH'S MOST SIGNIFICANT FUNDS

Our analysis of the Borough's governmental funds begins on page 7 and provides detailed information about the most significant funds – General Fund, Capital Projects Funds and Special Revenue Funds – not the Borough as a whole. All of the Borough's basic services are reported in the General Fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called modified cash basis of accounting. The General Fund statements provide a detailed, short term view of the Borough's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or few financial resources that can be spent in the near future to finance the Borough's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position – Modified Cash Basis and the Statement Activities – Modified Cash Basis) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Government Wide</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Cash & Cash Equivalent	\$ 5,115,817	\$ 5,242,449	\$ 307,513	\$ 321,464	\$ 5,423,330	\$ 5,563,913
Other Receivables	1,332	-	-	-	1,332	-
Total Assets	<u>\$ 5,117,149</u>	<u>\$ 5,242,449</u>	<u>\$ 307,513</u>	<u>\$ 321,464</u>	<u>\$ 5,424,662</u>	<u>\$ 5,563,913</u>
Current Liabilities	\$ 77,706	\$ 80,742	\$ -	\$ -	\$ 77,706	\$ 80,742
Non Current Liabilities - Notes Payable	1,871,651	1,791,805	-	-	1,871,651	1,791,805
Total Liabilities	<u>1,949,357</u>	<u>1,872,547</u>	<u>-</u>	<u>-</u>	<u>1,949,357</u>	<u>1,872,547</u>
Restricted for Special Purpose	627,830	129,388	-	-	627,830	129,388
Unreserved - Undesignated	2,539,962	3,240,514	307,513	321,464	2,847,475	3,561,978
Total Net Position	<u>\$ 3,167,792</u>	<u>\$ 3,369,902</u>	<u>\$ 307,513</u>	<u>\$ 321,464</u>	<u>\$ 3,475,305</u>	<u>\$ 3,691,366</u>

THE BOROUGH AS TRUSTEE

The Borough is a trustee, or fiduciary, over its employee's pension trust funds. It is also responsible for other assets than can only be used for the depositors based on the trust agreement in those depositors. All of the Borough's fiduciary activities are reported in a separate Statement of Fiduciary Net Position – Modified Cash Basis and Changes in Fiduciary Net Position – Modified Cash Basis on pages 18-19. 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 BOROUGH OF HELLERTOWN AS A WHOLE

The Borough of Hellertown's combined net position increased from \$3,475,305 in 2022 to \$3,691,366 or a net increase of \$216,061. In contrast, 2022 net position decreased by \$2,064,533

Our analysis below focuses on the net position and changes in net position of the Borough's governmental and business type activities.

The entity-wide net position of the Borough increased by 6.22% in 2023. Therefore, the Borough increased its entity-wide net position by \$216,061 in 2023. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements increased from \$2,847,475 at the end of 2022 to \$3,561,978 at the end of 2023.



BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023

The net position of the Borough's Business Type Activities increased by 4.54%. Accordingly, the Borough increased its net position for Business Type Activities by \$13,951. The unrestricted net position – that part of net position that can be used to finance daily business type activities changed from \$307,513 in 2022 to \$321,464 in 2023.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Government Wide</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
<b>Revenue</b>						
Taxes	\$ 3,863,159	\$ 4,017,399	\$ -	\$ -	\$ 3,863,159	\$ 4,017,399
Intergovernmental Revenue	1,096,119	659,291	-	-	1,096,119	659,291
Refuse Collection	-	-	568,591	640,229	568,591	640,229
Recycling	-	-	292,632	313,076	292,632	313,076
Charges for Service	201,024	162,522	-	-	201,024	162,522
Licenses & Permits	202,968	226,587	4,263	3,386	207,231	229,973
All Other	397,957	351,207	-	-	397,957	351,207
<b>Total</b>	<u>5,761,227</u>	<u>5,417,006</u>	<u>865,486</u>	<u>956,691</u>	<u>6,626,713</u>	<u>6,373,697</u>
<b>Expenses</b>						
General Government	782,299	772,331	18,003	35,043	800,302	807,374
Public Safety	2,329,685	1,471,174	-	-	2,329,685	1,471,174
Public Works	2,550,117	1,053,163	-	-	2,550,117	1,053,163
Personnel	-	-	462,077	476,632	462,077	476,632
Contracted Services	-	-	389,671	394,068	389,671	394,068
Culture & Recreation	1,058,977	917,271	-	-	1,058,977	917,271
Debt Service	50,384	52,059	-	-	50,384	52,059
Repairs & Maintenance	-	-	49,066	38,459	49,066	38,459
Employee Benefits & Taxes	987,924	947,436	-	-	987,924	947,436
All Other	13,043	-	-	-	13,043	-
<b>Total</b>	<u>7,772,429</u>	<u>5,213,434</u>	<u>918,817</u>	<u>944,202</u>	<u>8,691,246</u>	<u>6,157,636</u>
Transfers	5,544	(1,462)	(5,544)	1,462	-	-
<b>Change in Net Position</b>	<u>\$ (2,005,658)</u>	<u>\$ 202,110</u>	<u>\$ (58,875)</u>	<u>\$ 13,951</u>	<u>\$ (2,064,533)</u>	<u>\$ 216,061</u>

Overall, the Borough's governmental program revenues, including intergovernmental aid, decreased from \$5,761,226 in 2022 to \$5,417,006 in 2023 primarily due to decrease in intergovernmental revenue (grants).

Business type revenue increased by \$91,205 and net position increased by \$13,951 due to an increase in refuse collections.

**Governmental Activities**

The cost of all governmental activities (government wide activities) in 2023 was \$5,213,434 compared to \$7,772,429 in 2022. The decrease in costs is primarily associated with a decrease in public safety and public works.

As shown in the Statement of Activities – Modified Cash Basis on page 11, the amount our taxpayers ultimately financed for these activities through Borough taxes, fines, licenses, and other revenue was \$4,391,621 (a decrease of \$2,083,664 from 2022). Some of these costs were paid by those who directly benefitted from the program which amounted to \$162,522 (an decrease of \$38,502 from 2022). Other governments and organizations that subsidized certain programs with grants and contributions amounted to \$659,291 (down from \$1,096,119 in 2022).

BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023

Business Type Activities

Overall, the Sanitation Fund (business type activities) net position increased from \$307,513 in 2022 to \$321,464 in 2023. The increase is attributed to an increase in revenue in 2023.

The following table presents the cost of each of the Borough's five largest programs – General Government, Public Safety, Public Works, Culture & Recreation, and Employee Benefits, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Borough's taxpayers by each of these functions. The last two columns represent the net comparison to 2022 and 2021.

	Expenses	Charges for Service	Operating Grants	Capital Grants	2023 Net Expense	2022 Net Expense	2021 Net Expense
General Government	\$ 772,331	\$ 3,110	\$ 15,500	\$ -	\$ 753,721	\$ 310,101	\$ 522,703
Public Safety	1,471,174	8,787	37,851	-	1,424,536	2,277,339	1,542,707
Public Works	1,053,163	10,638	186,261	375,393	480,871	2,032,832	1,124,790
Culture & Recreation	917,271	139,987	-	-	777,284	869,759	609,393
Employee Benefits/Taxes	947,436	-	44,286	-	903,150	921,827	756,121

THE BOROUGH OF HELLERTOWN FUNDS

As the Borough completed the year, its governmental funds (as presented on the balance sheet on page 12) reported a fund balance of \$5,241,553 which is above last year's total of \$5,117,149. It must be noted, a significant contributor to the increase in fund balance is the decrease in public works and public safety expenditures in 2023.

The year-end fund balances consist of \$4,161,258 in unassigned funds, \$129,388 in restricted funds, \$519,642 in committed funds, and \$431,265 in assigned funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenue of the General Fund (the main operating fund of the Borough) was \$93,666 above budget projections with the largest increase seen in Taxes.

The actual expenditures of the General Fund were \$593,986 below budget amounts. The most significant favorable variances of \$458,203 (Employee Benefits/Taxes) and \$136,027 (Public Safety).

BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023

CAPITAL PROJECTS AND DEBT ADMINISTRATION

2023 Capital Improvements:

• IT Upgrades	\$ 1,387
• Police Tasers	\$ 16,310
• Police Vehicles	\$ 61,517
• Police ToughBooks	\$ 23,365
• Sanitation Can Lift	\$ 7,350
• Public Works PickUp	\$ 41,142
• Public Works Building	\$ 44,733
• Engineering MS4	\$ 9,526
• Durham Street Crossing	\$ 7,689
• Parks Truck	\$ 67,600
• Tree Removal & Trimming	\$ 3,900
• Bandshell Maintenance	\$ 7,000
• Dimmick Park Cameras	\$ 11,950
• Authority Park	\$ 5,356

Due to fiscal constraints, many 2024 capital purchases will be delayed.

Debt

The Borough of Hellertown has one outstanding Note Payable, which are the 2022 General Obligation Note (GON) with an outstanding balance of \$1,871,651 (reduced by \$77,706 in 2023) that was used to refinance the 2012 GON and to finance the new public works facility.

HELLERTOWN BOROUGH DEMOGRAPHICS & ECONOMIC OUTLOOK

According to the July 2023 US Census data estimates the population of Hellertown Borough is 6,117 (+.02%).

The median age of a Hellertown resident is 44.8 of which 26% is under age 18, 54% is between the ages of 18 and 65, and 20.3% is 65 years or older.

The median household income is \$76,579 (an increase of \$5,915 during the same period in 2022).

The median home value is \$322,000 (down from \$325,000 in 2022) of which 68 percent are owner occupied and 32 percent are rental units. There were 2 permits issued for housing units.

Hellertown has a total of 262 businesses. In 2023, the leading industries were Health Care, Retail, and Food Services. Hellertown welcomed 15 new businesses in 2023, although 12 closed.

As of November 2023, the assessed value of all property in the Borough of Hellertown is \$132,358,100 an increase of \$786,000. An assessed value is the dollar value assigned to a property to measure applicable taxes. Assessed valuation determines the value of a residence for tax purposes and takes comparable home sales and inspections into consideration. It is the price placed on a home by the corresponding government municipality to calculate property taxes.

At the start of 2023, prior year uncertainty and economic turbulence persisted, which caused concerns and market volatility. However, as we approached the end of 2023, there was cause for optimism. The market has rebounded, economic data indicates a strong labor market, and wages are keeping up with inflation.

BOROUGH OF HELLERTOWN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2023

In the US, according to a report by Comerica, real GDP grew at an annualized rate of 3.3% in the first half of the year, and the economy added 2.7 million jobs. The PA unemployment rate averaged 3.4%. Average hourly wages surged 4.1% over the year. The rate of pay exceeded the pace of inflation. The Lehigh Valley is among the fastest growing regions in Pennsylvania. The population in Lehigh and Northampton counties topped 694,800 people.

The region's growth can be attributed to its strong schools and healthcare providers, affordable real estate, economic stability, low crime rates, and recreational and cultural amenities. Lehigh Valley Unemployment rates were 3.4% as of November 2023 on par with pre-pandemic levels.

The Lehigh Valley has historically been a global leader in steel and other heavy manufacturing industries, which represented a considerable portion of its employment and economic production for most of the 20th century. However, the region has diversified its economy in recent years and now boasts a diverse business landscape of healthcare, warehousing, transportation, professional offices, apartments, and restaurants.

The Borough of Hellertown continues on its path to provide a healthy and economically stable environment for its residents, businesses, and visitors. A healthy fund balance, grants, and sound fiscal management practices have eased the economic impacts of the COVID-19 pandemic.

The position we are in as a borough is a testament to our borough employees, Council and Mayor that focuses on the overall well-being of our community above all else. Continued investment in our infrastructure, recreation assets and buildings ensure this community continues to be a great place to live, work and play.

As with most small communities, the borough is continually challenged to provide necessary essential services with a sensible approach to taxing our property owners and generating enough revenue to sustain government services.

Borough Council and staff have anticipated the impact of the economy and cost of services on municipal revenue and expenditures. As we move through the year, we will monitor performance and make adjustments in spending that are appropriate, use capital funds efficiently and effectively, and maintain necessary municipal services to the community.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Borough's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Borough Manager, 685 Main St., Hellertown, PA 18055.

BOROUGH OF HELLERTOWN  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2023

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total Primary Governmental
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,242,449	\$ 321,464	\$ 5,563,913
Other Receivables	-	-	-
Total Assets	\$ 5,242,449	\$ 321,464	\$ 5,563,913
<b>LIABILITIES AND NET POSITION</b>			
<b>Current Liabilities</b>			
Other Liabilities	\$ 896	\$ -	\$ 896
Current Portion of Notes Payable	79,846	-	79,846
Total Current Liabilities	80,742	-	80,742
<b>Noncurrent Liabilities</b>			
Notes Payable, Net of Current Portion	1,791,805	-	1,791,805
Total Liabilities	1,872,547	-	1,872,547
<b>NET POSITION</b>			
Restricted	129,388	-	129,388
Unrestricted	3,240,514	321,464	3,561,978
Total Net Position	3,369,902	321,464	3,691,366
Total Liabilities and Net Position	\$ 5,242,449	\$ 321,464	\$ 5,563,913

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities							
General Government	\$ 772,331	\$ 3,110	\$ 15,500	\$ -	\$ (753,721)	\$ -	\$ (753,721)
Public Safety	1,471,174	8,787	37,851	-	(1,424,536)	-	(1,424,536)
Public Works - Highway/Streets	1,053,163	10,638	186,261	375,393	(480,871)	-	(480,871)
Culture and Recreation	917,271	139,987	-	-	(777,284)	-	(777,284)
Employee Benefits/Taxes	947,436	-	44,286	-	(903,150)	-	(903,150)
Contingencies	-	-	-	-	-	-	-
Interest	52,059	-	-	-	(52,059)	-	(52,059)
Total Governmental Activities	5,213,434	162,522	283,898	375,393	(4,391,621)	-	(4,391,621)
Business-Type Activities:							
Sanitation	944,202	953,305	-	-	-	9,103	9,103
Total Business-Type Activities	944,202	953,305	-	-	-	9,103	9,103
Total Primary Government	<u>\$ 6,157,636</u>	<u>\$ 1,115,827</u>	<u>\$ 283,898</u>	<u>\$ 375,393</u>	<u>(4,391,621)</u>	<u>9,103</u>	<u>(4,382,518)</u>
General Revenues and Transfers:							
Taxes					4,017,399	-	4,017,399
Licenses and Permits					226,587	3,386	229,973
Fines and Forfeitures					57,729	-	57,729
Interest and Rents					184,742	-	184,742
Miscellaneous					108,736	-	108,736
Transfers					(1,462)	1,462	-
Total General Revenues and Transfers					4,593,731	4,848	4,598,579
Change in Net Position					202,110	13,951	216,061
Net Position - Beginning of Year					3,167,792	307,513	3,475,305
Net Position - End of Year					<u>\$ 3,369,902</u>	<u>\$ 321,464</u>	<u>\$ 3,691,366</u>

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
BALANCE SHEET – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	Major Funds		Other Nonmajor Funds	Total Governmental Funds
	General	Capital Projects Funds		
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,162,154	\$ 774,940	\$ -	\$ 4,937,094
Restricted Cash	-	175,967	129,388	305,355
Other Receivables	-	-	-	-
Total Assets	<u>\$ 4,162,154</u>	<u>\$ 950,907</u>	<u>\$ 129,388</u>	<u>\$ 5,242,449</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Other Liabilities	<u>\$ 896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 896</u>
<b>FUND BALANCES</b>				
Restricted	-	-	129,388	129,388
Committed	-	519,642	-	519,642
Assigned	-	431,265	-	431,265
Unassigned	4,161,258	-	-	4,161,258
Total Fund Balances	<u>4,161,258</u>	<u>950,907</u>	<u>129,388</u>	<u>5,241,553</u>
Total Liabilities and Fund Balances	<u>\$ 4,162,154</u>	<u>\$ 950,907</u>	<u>\$ 129,388</u>	

Reconciliation to Statement of Net Position - Modified Cash Basis:

Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

(1,871,651)

Net Position of Governmental Activities

\$ 3,369,902

BOROUGH OF HELLERTOWN  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCES – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds		Other Nonmajor Funds	Total Governmental Funds
	General Fund	Capital Projects Funds		
REVENUES RECEIVED				
Taxes	\$ 3,817,224	\$ -	\$ 200,175	\$ 4,017,399
Intergovernmental Revenues	108,754	375,393	175,144	659,291
Charges for Services	151,884	10,638	-	162,522
Fines and Forfeitures	57,729	-	-	57,729
Licenses and Permits	226,587	-	-	226,587
Interest and Rent	151,888	32,824	30	184,742
Miscellaneous Revenue	80,598	28,138	-	108,736
	<u>4,594,664</u>	<u>446,993</u>	<u>375,349</u>	<u>5,417,006</u>
Total Revenues Received				
EXPENDITURES PAID				
General Government				
Mayor and Council	16,320	-	-	16,320
Managerial	114,908	-	-	114,908
Clerical	160,499	-	-	160,499
Solicitor	67,734	-	-	67,734
General Government	315,138	97,732	-	412,870
Public Safety				
Police	1,313,256	-	-	1,313,256
Fire	-	58,764	99,154	157,918
Public Works				
Highways and Streets	583,185	299,596	170,382	1,053,163
Culture and Recreation				
Library	61,541	-	-	61,541
Park and Pool	394,730	461,000	-	855,730
Debt Service				
Principal	77,706	-	-	77,706
Interest	52,059	-	-	52,059
Contingencies	-	-	-	-
Employee Benefits/Taxes	947,436	-	-	947,436
	<u>4,104,512</u>	<u>917,092</u>	<u>269,536</u>	<u>5,291,140</u>
Total Expenditures Paid				
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID	490,152	(470,099)	105,813	125,866
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	-	-
Net transfers in (out)	54,383	548,410	(604,255)	(1,462)
	<u>54,383</u>	<u>548,410</u>	<u>(604,255)</u>	<u>(1,462)</u>
Total Other Financing Sources (Uses), Net				
EXCESS (DEFICIT) OF REVENUES RECEIVED AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING SOURCES (USES)	544,535	78,311	(498,442)	124,404
Fund Balance - January 1, 2023	<u>3,616,723</u>	<u>872,596</u>	<u>627,830</u>	<u>5,117,149</u>
Fund Balance - December 31, 2023	<u>\$ 4,161,258</u>	<u>\$ 950,907</u>	<u>\$ 129,388</u>	<u>\$ 5,241,553</u>

See accompanying Notes to Financial Statements.



BOROUGH OF HELLERTOWN  
 RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN  
 FUND BALANCES – MODIFIED CASH BASIS OF GOVERNMENTAL FUNDS TO THE STATEMENT OF  
 ACTIVITIES – MODIFIED CASH BASIS OF GOVERNMENTAL ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Net changes in fund balances - total governmental funds	\$ 124,404
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Amounts reported for Governmental Activities in the Statement of Activities  
 are different because:

The governmental funds report debt proceeds as financing sources, while  
 repayment of debt principal is reported as an expenditure. In the  
 statement of net position - modified cash basis, however, issuing  
 debt increases long term liabilities and does not affect the statement  
 of activities and repayment of principal reduces the liability. The net  
 effect of these differences in the treatment of long-term debt is  
 as follows:

Principal repayments of long-term debt	<u>77,706</u>
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Net change in net position - governmental activities	<u>\$ 202,110</u>
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BOROUGH OF HELLERTOWN  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
PROPRIETARY FUND  
DECEMBER 31, 2023

	Enterprise Fund Sanitation Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 321,464
Total Assets	\$ 321,464
 <b>LIABILITIES AND NET POSITION</b>	
Total Liabilities	\$ -
 <b>NET POSITION</b>	
Unrestricted	321,464
Total Net Position	321,464
Total Liabilities and Net Position	\$ 321,464

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
STATEMENT OF REVENUES RECEIVED, EXPENSES PAID  
AND CHANGES IN NET POSITION – MODIFIED CASH BASIS  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Sanitation Fund
OPERATING REVENUES RECEIVED	
Refuse Collections	\$ 640,229
Recycling	313,076
Licenses and Permits	3,386
Total Operating Revenues Received	956,691
OPERATING EXPENSES PAID	
Personnel	476,632
Contracted Services	394,068
Repairs, Maintenance and Supplies	38,459
General Government	35,043
Total Operating Expenses Paid	944,202
EXCESS OF REVENUES RECEIVED OVER EXPENSES PAID	12,489
Other Financing Sources (Uses)	
Operating Transfers In	1,462
Operating Transfers Out	-
Total Other Financing Sources (Uses)	1,462
EXCESS OF EXPENSES PAID OVER REVENUES RECEIVED AND OTHER FINANCING SOURCES (USES)	13,951
NET POSITION - JANUARY 1, 2023	307,513
NET POSITION - DECEMBER 31, 2023	\$ 321,464

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS  
PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Sanitation Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Customers	\$ 956,691
Cash Payment to Suppliers for Goods and Services	(467,570)
Cash Payments to Employees for Services	(476,632)
Net Cash Provided by Operating Activities	12,489
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating Transfers Out	1,462
Net Cash Used by Noncapital Financing Activities	1,462
Net Increase in Cash and Cash Equivalents	13,951
CASH AND CASH EQUIVALENTS, JANUARY 1	307,513
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 321,464
Reconciliation of Operating Income to Net Cash Provided for Operating Activities	
Operating Income	\$ 12,489
Net Cash Provided by Operating Activities	\$ 12,489

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
ALL FIDUCIARY FUNDS  
DECEMBER 31, 2023

	Component Unit Pension Trust Fund	Custodial Funds	Total Fiduciary Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 77,746	\$ 85,473	\$ 163,219
Investments at Fair Value			
U.S. Government Obligations	1,085,404	-	1,085,404
Balanced Funds/Fixed Income	1,238,467	-	1,238,467
International Bonds	98,296	-	98,296
Corporate Bonds	473,704	-	473,704
Mutual Funds	2,433,137	-	2,433,137
Domestic Stocks	1,860,348	-	1,860,348
	7,189,356	-	7,189,356
Total Investments, at Fair Value			
	\$ 7,267,102	\$ 85,473	\$ 7,352,575
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities</b>			
Due to Depositors	\$ -	\$ 85,473	\$ 85,473
	-	85,473	85,473
Total Liabilities			
<b>Net Position</b>			
Restricted	7,267,102	-	7,267,102
	7,267,102	-	7,267,102
Total Net Position			
	\$ 7,267,102	\$ 85,473	\$ 7,352,575
Total Liabilities and Net Position			

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
STATEMENT OF CHANGES IN NET POSITION – MODIFIED CASH BASIS  
ALL FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Component Unit		Total Fiduciary Funds
	Pension Trust Fund	Custodial Funds	
<b>ADDITIONS</b>			
Contributions:			
Fees Collected	\$ -	\$ 25,467	\$ 25,467
Employee	42,337	-	42,337
State Aid	16,286	-	16,286
Total Contributions	<u>58,623</u>	<u>25,467</u>	<u>84,090</u>
<b>DEDUCTIONS</b>			
Investment Income			
Interest	44,940	-	44,940
Dividends	160,285	-	160,285
Realized Capital Gains	105,799	-	105,799
Net Depreciation in Fair Value of Investments	716,213	-	716,213
Total Investment Income (Loss)	<u>1,027,237</u>	<u>-</u>	<u>1,027,237</u>
Investment Expenses	<u>(46,561)</u>	<u>-</u>	<u>(46,561)</u>
Net Investment Income (Loss)	<u>980,676</u>	<u>-</u>	<u>980,676</u>
Benefits	336,150	-	336,150
Administrative Expenses	4,245	-	4,245
Other Payments/Transfers	-	25,467	25,467
Total Deductions	<u>340,395</u>	<u>25,467</u>	<u>365,862</u>
NET DECREASE IN NET POSITION	698,904	-	698,904
Net Position January 1, 2023	<u>6,568,198</u>	<u>-</u>	<u>6,568,198</u>
Net Position December 31, 2023	<u>\$ 7,267,102</u>	<u>\$ -</u>	<u>\$ 7,267,102</u>

See accompanying Notes to Financial Statements.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Hellertown (the "Borough") have been prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP") and is described more fully under Basis of Accounting and Measurement Focus. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are described below to enhance the usefulness of the financial statements to the reader.

***The Financial Reporting Entity***

The Borough of Hellertown was incorporated in 1872 under the provisions of the constitution and general statutes of the Commonwealth of Pennsylvania ("Commonwealth"). The Borough operates as a council-manager form of government, is located in Northampton County, and provides a full range of services, including public safety, roads, sanitation, recreation, and general government services, to its approximately 6,000 residents.

Factors considered in determining whether a governmental unit should be included in the Borough's financial statements include financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The Borough's Police Pension Plan is operated by a Board of Trustees appointed by the Borough. The Police Pension Plan is a separate entity which is included in the Borough's financial statements as a blended component unit due to the financial burden that is placed on the Borough through its operation.

The financial statements of the Borough of Hellertown do not include the financial activities of the Hellertown Borough Authority (the "Authority"), which provides water and sewer services to the residents of Hellertown. The Borough's financial statements do not include the Authority as a component unit for the following reasons:

- The Hellertown Borough Authority is a separate political entity established under the laws of the Commonwealth of Pennsylvania.
- Although the Borough Council appoints the Hellertown Borough Authority's Board, it operates autonomously from the Borough government.
- The Borough has no legal or moral responsibility for the debt of the Authority.
- The Authority does not impose a financial benefit or burden on the Borough.

***Basis of Presentation - Fund Accounting***

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, expenditures, and other financing sources and uses. The various funds are summarized by type in the financial statements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

For financial reporting purposes, the Borough's funds have been grouped by fund type and are presented in this report in the following manner:

***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the Borough are financed. The acquisition, use and balances of the Borough's expendable financial resources and the related liabilities are accounted for through the following governmental funds:

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Governmental Fund Types (Continued)***

**Major Funds:**

- ***General Fund*** - is used to account for all financial transactions applicable to the general operations of the Borough except for those required to be accounted for in another fund.
- ***Capital Projects Funds*** - are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Regular and Special Capital Projects Funds are included in the accompanying financial statements as Capital Projects Funds.

**Nonmajor Funds:**

- ***Special Revenue Funds*** - are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The following are special revenue fund types:

***Liquid Fuels Tax Fund*** - is utilized to account for the financial activity of the Borough's motor vehicle fuel tax allocation from the Commonwealth of Pennsylvania.

***Fire Protection Fund*** - is utilized to account for the financial activity of the Borough's fire tax revenue and its related expenditures.

***American Rescue Plan Fund*** – is utilized to account for financial activity from the American Rescue Plan revenue and related expenditures.

***Proprietary Fund Types***

Proprietary funds are used to account for the Borough's ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income. The Borough has one type of proprietary fund - the Enterprise Fund - described below.

- ***Enterprise Fund*** - is used to account for operations that are financed and operated in a manner similar to private business enterprises where 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, or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income are appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Borough has one Major Enterprise Fund described below.
  - ***Sanitation Fund*** - is used to account for the administration of the collection and disposal of municipal waste and recyclable materials in the Borough, is operated in a manner similar to a private business enterprise, and is intended to be self-supporting.

***Fiduciary Fund Types***

Fiduciary funds are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following are the Borough's fiduciary fund types:



BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Fiduciary Fund Types (Continued)***

- ***Custodial Funds*** - are used to account for funds held in escrow for other parties. The Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.
  - ***Escrow Funds*** - are used to account for monies paid by developers and/or land owners which are held in escrow for the purpose of reimbursing the Borough for any and all expenses, fees and charges incurred by the Borough in connection with land development, subdivision and property improvements located in the Borough of Hellertown.
- ***Pension Trust Fund*** - is used to account for pension benefits for police. The Police Pension Plan is a blended component unit of the Borough of Hellertown. The principal revenue sources for these funds are state aid, employer and employee contributions, and investment earnings. The Borough of Hellertown has the following pension trust fund:
  - ***Police Pension Fund*** - is used to account for pension benefits for police officers.

***Basis of Accounting and Management Focus***

***Basis of Accounting***

Basis of accounting refers to the timing of recognition of revenues and expenditures or expenses in the financial statements regardless of the measurement focus. The modified cash basis of accounting is followed for all governmental, proprietary, and fiduciary funds of the Borough. The modified cash basis differs from GAAP in that certain revenues and the related assets are recognized when received rather than when earned and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Modifications to the cash basis of accounting include (1) the recording of payroll withholdings when withheld from employees' pay, (2) the recording of investments held (in the Pension Trust Funds) as assets at fair value, (3) reporting long-term debt, (4) Other Receivables, (5) custodial funds held in escrow due to developers and reported as liabilities and (6) net unrealized gains and losses on investments are recorded as a result of changes in the fair value of investments, not when the investments are sold. The Statement of Revenues Received, Expenditures Paid and Changes in Fund Balance - Modified Cash Basis - Governmental Funds presents the results of the Borough's activities; it does not purport to present the net income or loss for the period.

***Measurement Focus***

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are accounted for on a spending or "financial flow" measurement focus. This means the Borough has elected to report on a modified cash basis while reporting long-term indebtedness in the Government-Wide Financial Statements. Governmental fund-type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with this activity are included on their statements of assets, liabilities, and net position. The reported fund equity reported as unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net position.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Measurement Focus (Continued)***

The Pension Trust Fund uses “income determination” as its measurement focus. Plan member contributions and employer contributions (including the portion, if any, funded by State Aid) are recognized in the period in which contributions are paid. Benefits and refunds are recognized when paid in accordance with the terms of each plan.

***Budgetary Process***

The Borough follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to October 1, the Borough Manager meets with all Department Heads.
- Department Heads submit a proposed operating budget for the fiscal year commencing the following January 1.
- The Operating budget includes the proposed expenditures.
- The Borough Manager and Finance Manager meet to determine proposed revenue for the fiscal year commencing January 1.
- Capital budgets are updated at this time.
- The proposed budget is compiled and submitted to Borough Council for review and discussion. A number of public meetings are scheduled to obtain taxpayer comment.
- Prior to December 31, the budget is legally enacted through a majority vote of Borough Council. An ordinance establishing the tax rate for the year was simultaneously voted on.

***Cash and Cash Equivalents***

The Borough’s cash and cash equivalents are comprised of cash on hand, demand deposits with financial institutions, and short-term investments with original maturities of three months or less as of the date of acquisition. See Note 3 for additional disclosures.

***Restricted Assets***

Restricted assets are comprised of cash held in escrow for property improvements, subdivision, and land development.

***Encumbrances***

Net position of the Governmental Fund Types may be reserved for encumbrances. Encumbrances, which represent commitments for goods and services not yet received, are reported as a reservation of net position and are not otherwise available for appropriation. All encumbrances lapsed at the end of the year. Accordingly, there was no net position reserved for encumbrances as of December 31, 2023.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Government – Wide Fiduciary and Proprietary Fund Net Position***

Net Position is divided into two components:

1. Restricted – consist of assets that are restricted by the Borough's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
2. Unrestricted – all other net position is reported in this category.

***Governmental Fund Balances***

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

1. Restricted – amounts that can only be spent for specific purposes because of constitutional provisions, legislation, or constraints that are externally imposed.
2. Committed - amounts that can only be used for specific purposes determined by formal action of the Council.
3. Assigned – amounts that are designated for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval by Borough Council.
4. Unassigned - all amounts not included in other spendable classifications

The restricted fund balances consisted of the Liquid Fuels Special Revenue Fund for \$11,487 and \$117,901 for the Fire Protection Special Revenue Fund. The Committed Fund Balance of \$519,642 and the Assigned Fund Balance of \$431,265 are included in the Capital Projects Fund, which are set aside for capital purposes and fire protection, respectively.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the Borough's policy to use restricted fund balance first, followed by unrestricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned amounts are available, it is the Borough's policy to use committed first, then assigned and then finally unassigned.

***Interfund Transactions***

Certain interfund transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Other interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of net position are reported as residual transfers of net position. All other interfund transfers are reported as operating transfers.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Management Estimates***

The preparation of financial statements prepared with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 NON-GAAP BUDGETARY BASIS OF ACCOUNTING

The Borough's budget is prepared on the modified cash basis of accounting and includes appropriations to cover anticipated current encumbrances. The Borough Council approves budgets, which contain estimated revenues adequate to fully fund appropriations. Appropriations not reserved for encumbrances lapse at year end. Formal budgetary integration is employed as a management control device during the year for the General Fund and two Special Revenue Funds.

The Statements of Revenues Received, Expenditures Paid and Changes in Fund Balance - Modified Cash Basis - Budget and Actual present comparisons of legally adopted budgets with actual data. The budget has been prepared on the modified cash basis, which is the same basis of accounting used to prepare the financial statements as described more fully in Note 1. The Borough Council approves by a motion the total appropriations in the budget. Fund Balance and any revisions to the budget also require approval by Borough Council. There were no amendments to the budget as presented in the current year.

NOTE 3 CASH AND CASH EQUIVALENTS

**General**

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Commonwealth of Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The deposit and investment policy of the Borough adheres to the statutes of the Commonwealth. Deposits of the Borough, except for Pension Trust Fund deposits that are administered by trustees, are either maintained in demand deposits or are held in bank money market accounts. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth's statutes or the policy of the Borough.

**Cash (Cash on Hand and Bank Balances)**

At December 31, 2023, the carrying amount of the Borough's bank deposits (excluding those held in the Pension Trust Funds, but including Custodial Funds) totaled \$5,648,402 and the corresponding bank balances were \$5,807,681, of which \$250,000 was insured by the Federal Deposit Insurance Corporation ("FDIC"); the uninsured bank balance of \$5,557,681 was collateralized, as described below.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

**Cash (Cash on Hand and Bank Balances) (Continued)**

Under Act No. 72 of the 1972 Session of the Pennsylvania General Assembly (the "Act of 72"), financial institutions were granted the authority to secure the deposits of the public bodies by pledging a pool of assets, as defined in the Act of 72, to cover all public funds deposited in excess of the FDIC limits. The uninsured bank balances (as defined by Statement No. 3 of the GASB) of the Borough in the amount of \$5,557,681, were collateralized by this pool of assets maintained by the Borough's depository institutions.

In addition, the Borough included in cash, amounts held on hand in petty cash. At December 31, 2023, the petty cash balance was \$984.

NOTE 4 INVESTMENTS

Under Section 1316 of the Pennsylvania Borough Code, the Borough is authorized to invest in United States Treasury Bills, short-term obligations of the U.S. Government or its agencies or instrumentalities, obligations of the U.S. Government or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for Borough funds listed above and certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or similar agencies to the extent that such accounts are so insured. Investments of pension trust funds are placed pursuant to guidelines established by the respective pension boards.

As of December 31, 2023, the Borough had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
<u>Pension Trust Funds</u>		
U.S. Government Obligations	2025-2033	\$ 1,085,404
Balanced Funds/Fixed Income		1,238,467
International Bonds	2024-2030	98,296
Corporate Bonds	2025-2032	473,704
Mutual Funds		2,433,137
Domestic Stocks		<u>1,860,348</u>
Total Pension Trust Funds		<u>\$ 7,189,356</u>

*Fair Value Measurement*

The Borough reports all investments at fair value. Fair value is the closing price reported on the active market in which the individual securities are traded.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 4 INVESTMENTS (CONTINUED)

The Borough categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets of liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Borough has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in active markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

All Borough Pension Trust Funds investments are classified as Level 1 measurements; quoted prices in active markets for identical assets.

*Interest Rate Risk*

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

*Credit Risk*

The Borough has no investment policy that would limit its investment choices to certain credit ratings. The Borough's Police Pension Plan's investment in fixed income funds were rated by Moody's as follows:

Police Pension Plan Fixed Income Credit Ratings	Fair Value of Investments
Aaa	\$ 1,085,404
Aa-	8,350
A+	19,182
A	45,029
A-	217,251
Bbb+	147,071
Bbb	91,634
Not Rated	43,483

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 4 INVESTMENTS (CONTINUED)

*Concentration of Credit Risk*

The Borough places limits on the amount the Borough may invest in any one issuer. Currently the Borough does not have any investments not included in the Pension Trust Funds. The following individual investments represented over 5% of total trust fund investments for each pension plan:

Police Pension Plan:

Vanguard Value Index Fund Admiral Cl.  
Vanguard Instl Index Fd-94

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in 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 any outside party. The Borough has no investments subject to custodial credit risk.

At December 31, 2023, the Borough had the following debt instruments and maturities in its Police Pension Plan.

	Average Maturities (In Years)			
	Less than 1	1-5	6-10	Total
U.S. Government Obligations	\$ -	\$ 915,155	\$ 170,249	\$ 1,085,404
International Bonds	29,842	49,272	19,182	98,296
Corporate Bonds	-	304,739	168,965	473,704
	\$ 29,842	\$ 1,269,166	\$ 358,396	\$ 1,657,404

NOTE 5 NOTES PAYABLE

The Borough of Hellertown issued a General Obligation Note Series of 2022 to finance the Borough's new public works building and refunding of the Borough's General Obligation Note Series of 2012. The Borough refinanced its General Obligation Notes Series of 2012 and borrowed an additional \$776,605 (drawn down on April 8, 2022), bringing the total outstanding balance on the new note to \$2,000,000.

A description of the terms of the Borough's long-term debt obligation ("Note") and the balance outstanding at December 31, 2023 is presented below.

Notes Payable: General Obligation Notes	Balance Outstanding January 1, 2023	Additions	Reductions	Balance Outstanding December 31, 2023	Due Within One Year
General Obligation Note 2022, fixed annual interest rate of 2.72% for 20 years, due April 2042 with monthly principal and interest insallments of \$10,814.	\$ 1,949,357	\$ -	\$ (77,706)	\$ 1,871,651	\$ 79,846
Total General Obligation Notes	\$ 1,949,357	\$ -	\$ (77,706)	\$ 1,871,651	\$ 79,846

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 5 NOTES PAYABLE (CONTINUED)

The annual debt service requirements to maturity for note payable as of December 31, 2023 is as follows:

Years ending December 31:	Principal	Interest	Total
2024	\$ 79,846	\$ 49,918	\$ 129,764
2025	82,045	47,719	129,764
2026	84,305	45,459	129,764
2027	86,627	43,137	129,764
2028	89,013	40,751	129,764
2029-2033	483,216	165,607	648,823
2034-2038	553,526	95,297	648,823
2039-2043	413,073	19,477	432,550
Totals	<u>\$ 1,871,651</u>	<u>\$ 507,365</u>	<u>\$ 2,379,016</u>

NOTE 6 REAL ESTATE TAXES

Based upon assessed valuations provided by Northampton County approximating \$132,358,200 in 2023, the Borough bills and collects its own real estate taxes. The schedule for real estate taxes levied for 2023 was as follows:

February 1	- levy date
February 1	- April 5 - 2% discount period
April 6	- June 7 - face payment period
June 8	- March 4, 2024 - 10% penalty period
March 5, 2024	- lien date

The Borough continues to collect delinquent real estate taxes up to the first Monday in March of the following year. At that time, all unpaid real estate taxes are turned over to the County of Northampton Tax Claim Bureau for further collection. The 2023 municipal tax rate for all purposes was 21.50 mils (\$21.50 per \$1,000 of assessed valuation) of which 1.5 mils is allocated for fire protection and the remaining 20.0 mils is allocated for general purposes.

NOTE 7 COMMITMENTS AND CONTINGENCIES

***Compensated Absences***

The Borough of Hellertown has not accrued compensated absences because the Borough has elected to report its financial activities on the modified cash basis of accounting. However, all full-time employees of the Borough are entitled to paid vacation and sick days, depending on their length of service and whether the employee is a uniformed or non-uniformed employee.

Vacation days for all employees begin to accrue one year after the initial date of hire and may not be carried from year to year. Vacation allowances accrue as follows:



BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

***Compensated Absences (Continued)***

<u>Length of Service</u>	<u>Vacation Allowance</u>	
	<u>Uniformed</u>	<u>Non-uniformed</u>
0 days - but less than 1 year	0 days	0 days
1 year - but less than 5 years	96 hours	N/A
5 years – but less than 11 years	N/A	15 days
5 years - but less than 10 years	144 hours	N/A
11 years – but less than 15 years	N/A	17 days
10 years - but less than 15 years	168 hours	N/A
15 years – but less than 20 years	192 hours	20 days
20 years and over	240 hours	25 days

Sick leave is calculated separately for uniformed and non-uniformed employees. Each uniformed employee is entitled to seven sick days per year. Sick leave “catastrophic days” can be saved from one year to the next, to a maximum of 124 days. Any sick days accumulated in excess of 124 days are lost. Uniformed employees are also entitled to seven non-accruable “sniffle” days per year, a maximum of six unused at year end are compensated for at the then-current base pay rate.

Non-uniformed employees are entitled to twelve non-accruable “sniffle” days per year. Any of these days that are remaining at the beginning of the subsequent year are compensated for at the rate of 50% of the then-current base pay. In addition, each non-uniformed employee is entitled to receive ten catastrophic sick days, accruable to 120 days. Any catastrophic sick days accumulated in excess of 120 days are lost.

***Insurance***

The Borough is exposed to various risks of loss, including workers’ compensation; property, casualty, and public official liability; employee benefit administration; employment practice liability; and general liability claims. During the past four calendar years, there have not been any settlements that exceeded insurance coverage. The Borough is contingently liable to the extent any potential future judgment exceeds available insurance coverage. Approximate coverage amounts for significant risk categories are set forth below.

Building and Contents	\$ 17,811,120
Boiler and Equipment	751,056
Crime and Dishonesty (Per Employee)	100,000
Comprehensive General Liability	
- Each Occurrence	1,000,000
- Aggregate Limit	2,000,000
Employee Benefits Liability	
- Each Claim	1,000,000
- Aggregate Limit	2,000,000
Commercial Auto	1,000,000
Worker's Compensation	
- Per Accident	1,000,000
- Per Disease	1,000,000
- Disease Aggregate	1,000,000
Excess Liability (Umbrella) Each Occurrence	10,000,000
Excess Liability (Umbrella) Aggregate Limit	10,000,000
Cyber Liability	
- Each Occurrence	1,000,000
- Aggregate Limit	1,000,000

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

***Federal and State Grants***

The Borough receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Borough's management, such disallowances, if any, will not be significant to the Borough's basic financial statements.

NOTE 8 PENSION PLANS

The Borough of Hellertown administers two pension plans - the Hellertown Borough Police Pension Plan, a defined benefit plan, and the Hellertown Borough Non-Uniformed Employees' Pension Plan, a defined contribution plan. Separate trustees and investment accounts have been established for each plan. Each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of each plan. Additional administrative costs are funded from investment earnings.

***Police Pension Plan***

***Plan Description***

The Borough of Hellertown Police Pension Plan is a single employer defined benefit pension plan controlled by the provisions of Ordinance 784 adopted pursuant to Act 600. The plan is governed by the Borough of Hellertown which may amend plan provisions, and which is responsible for the management of plan assets. The Borough of Hellertown has delegated the authority to manage certain plan assets to Fulton Financial Advisors.

The Borough of Hellertown filed actuarial valuation report Form 201C with the Public Employee Retirement Commission. The report dated January 1, 2021, was the most recently certified by the municipality's chief administrative officer. This report indicated the municipality maintains a pension plan to provide pension or retirement benefits for uniformed employees. The Borough's Police Pension Plan covers all existing and future full-time or regular members of the police force of the Borough who work for a stated salary or compensation. The pension plan committee consists of: (1) the Vice-president of Council; (2) one active policeman; (3) one retired policeman receiving pension benefits; and (4) two electors of the Borough (neither members of the police force nor individuals receiving pension benefits).

***Benefits Provided***

Borough of Hellertown provides normal retirement, early retirement, and disability benefits to plan members and their beneficiaries. Normal retirement benefits are calculated on 50% of members' average monthly compensation during the last 36 months of employment with the Borough when the member obtains the age of 50 and completes 25 years of credited service. In addition, a member shall receive a service increment of \$100 per month for each full year of service in excess of 25 years. The maximum monthly benefit for a service increment shall be \$500 per month. Early retirement benefits are determined based on an actuarial equivalent of the accrued retirement benefit, the member must have completed 20 years of service. Disability retirement benefits are equal to 75% of the salary of the member.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8 PENSION PLANS (CONTINUED)

***Police Pension Plan (Continued)***

***Benefits Provided (Continued)***

At January 1, 2024, the following employees were covered by the benefit terms:

Participants:		
Retirees and Beneficiaries	10	
Active Employees	9	
Terminated Employees	2	

***Contributions***

Commonwealth of Pennsylvania Act 205 requires that annual contributions to the plan be based upon the plan's Minimum Municipal Obligation (MMO), which is based on the plan's biennial actuarial valuation. In accordance with the plan's governing document, employees are required to contribute 5.0% of compensation to the plan. The plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program that must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions.

***Net Pension Liability***

The Borough's net pension liability was determined by an actuarial valuation as of January 1, 2021, and rolled forward to the reporting date using the following significant actuarial assumptions applied to all periods included in the measurement:

Salary Increases:	5.0% compounded annually
Investment Return:	7.0% per annum, net of investment expenses

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2023 to December 31, 2023. In addition, mortality rates were based on the PubS-2010 Mortality Table projected 5 years past the valuation date using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation of 2.47%) 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 allocation percentage any by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following table:

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8 PENSION PLANS (CONTINUED)

**Police Pension Plan (Continued)**

**Net Pension Liability (Continued)**

Asset Class	Long-Term Expected Real Rate of Return <sup>1</sup>	Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity		International Equity	6.91%
Large Cap	6.20%	Fixed Income	3.51%
Mid Cap	7.25%	Real Estate	5.01%
Small Cap	7.25%	Cash	0.76%

<sup>1</sup>The Long-Term Expected Real Rates of Return are based on the 2023 Horizon Survey.

**Discount Rate**

The discount rate used to measure the total pension liability was 7%. 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 at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund'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.

**Changes in Net Position Liability**

The following table shows the changes in net pension liability recognized over the measurement period:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at December 31, 2022	\$ 6,673,985	\$ 6,583,671	\$ 90,314
Changes for the Year:			
Service Cost	181,746	-	181,746
Interest	472,863	-	472,863
Changes in Benefit Terms	76,666	-	76,666
Differences Between Expected and Actual Experience	(9,297)	-	(9,297)
Changes in Assumptions	-	-	-
Contributions - Employer	-	3,632	(3,632)
Contributions - State Aid	-	16,286	(16,286)
Contributions - Member	-	42,337	(42,337)
Net Investment Income	-	987,560	(987,560)
Benefit Payments	(335,821)	(335,821)	-
Administrative Expense	-	(7,385)	7,385
Other Charges	-	-	-
	<u>386,157</u>	<u>706,609</u>	<u>(320,452)</u>
Balance at December 31, 2023	<u>\$ 7,060,142</u>	<u>\$ 7,290,280</u>	<u>\$ (230,138)</u>

NOTE: This schedule was prepared on the accrual basis of accounting, not on the modified cash basis of accounting used for financial reporting purposes.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 8 PENSION PLANS (CONTINUED)

**Police Pension Plan (Continued)**

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

The following is a sensitivity analysis of the net pension asset to changes in the discount rate. The table below presents the net pension asset calculated using the discount rate of 7% as well as what the net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension (Asset) Liability	\$ 643,289	\$ (230,138)	\$ (959,732)

**Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued Borough of Hellertown's Retirement Plan financial report.

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources**

For the year ended December 31, 2023, if the financial statements were issued in accordance with GAAP, the Borough would recognize pension expense of \$154,391. At December 31, 2023, the Borough would report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (129,104)
Changes in Assumptions	47,829	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	333,355	-
Total	\$ 381,184	\$ (129,104)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense under GAAP as follows:

Years Ended December 31,	
2024	\$ 35,741
2025	112,371
2026	214,772
2027	(109,257)
2028	(1,547)
Thereafter	-

BOROUGH OF HELLERTOWN  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 8 PENSION PLANS (CONTINUED)

***Police Pension Plan (Continued)***

***Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)***

Financial information of the Police Pension Plan is presented on the modified cash basis of accounting. Plan member contributions are employer contributions (including the portion, if any, funded by State Aid) are recognized in the period in which the contributions are received rather than when they are due. Benefits and refunds are recognized when paid rather than when the liability is incurred. During 2023, the Borough paid \$16,286 to fund the Police Pension Plan from State Aid.

***Non-Uniformed Employees' Pension Plan***

The Borough of Hellertown established a pension plan effective January 1, 1992, entitled Hellertown Borough Non-Uniformed Employees' Pension Plan (the "NUEPP"). The NUEPP covers all existing and future full-time non-uniformed salaried and management employees of the Borough. This single employer defined contribution plan is administered by the International City Management Association Retirement Corporation in the form of a Money Purchase Plan and Trust. The NUEPP provides for normal retirement benefits at age 65 under authority of Act 205.

The contribution requirements established by the Money Purchase Plan and Trust Agreement adopted by the Borough are as follows:

- The Borough shall contribute \$2,000 on behalf of each participant for each plan year.
- Each participant is required to contribute to the NUEPP as a condition of participation; however, the Borough has elected to "pick up" the mandatory participant contributions in accordance with Internal Revenue Service Code Section 414(h)(2).
- Each participant may make voluntary, after-tax contributions.

The NUEPP is eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program, which must be used for pension funding. The Borough, in accordance with Act 205, must contribute any funding requirements that exceed state aid. During the year ended December 31, 2023, employee contributions amounted to \$37,946 and employer funding requirements for 2023 amounted to \$28,000, of which \$28,000 was funded from State Aid.

Employee contributions vest immediately. Employer contributions vest in accordance with the following schedule:

Years of Service	Percent Vested
1	0%
2	0%
3	20%
4	40%
5	60%
6	80%
7	100%

BOROUGH OF HELLERTOWN  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

**Plan Description**

The Borough of Hellertown administers a single employer defined benefit healthcare plan. All full-time uniformed and non-uniformed employees, employees who retire from the Borough are eligible to receive these benefits. The Retiree Health Plan does not issue a publicly available financial report.

**Benefits Provided**

The benefit provisions and obligations to contribute are established in accordance with separate employee contracts. In accordance with the employee contracts, the Borough's obligation for payment of health insurance coverage premiums is \$350 per month towards the cost of retiree medical and prescription drug coverage for non-uniform employees. For retirees in prior years, payments are as follows: \$250 per month for uniformed employees retiring between January 1, 2002 and December 31, 2004, \$350 per month for uniformed employees retiring in 2005, \$450 per month for uniformed employees retiring in 2006, \$550 per month for uniformed employees retiring in 2007, and \$660 per month for uniformed employees retiring in 2008 or later. The above uniformed retiree payments shall cease upon the retiree reaching eligible Medicare age. Coverage must be purchased through the Borough in order to be eligible for the Borough's contribution. If the employee retired on or before December 31, 2015, coverage is provided for the life of the retiree. If retired on or after December 31, 2015, coverage ends on December 31, 2022. The retirees are obligated to absorb any and all monthly premium costs in excess of Borough contributions. Currently, the Borough pays the monthly health insurance premiums for each participant and is reimbursed by each retiree for an amount the Borough's contribution does not exceed those listed above. As of December 31, 2023, thirteen retirees are eligible and receiving these benefits. The health care benefits cover retired employees only; however, the retirees have the option to continue coverage for their spouses at their own expense.

**Plan Membership**

At December 31, 2023, the Plan's membership consisted of the following:

Plan Participants	25
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	13
 Total	 38

**Contributions**

The Borough contributes to the cost of current-year premiums for eligible retired plan members as described above. The Borough is not currently making contributions to a qualified trust.

**Net OPEB Liability**

The Borough's total OPEB liability of \$3,067,342 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2023.

BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

**Actuarial assumptions and other inputs**

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Investment Rate of Return:	There are no invested assets.
Actuarial Funding Method	Entry Age Cost Method
Inflation:	2.47%
Salary Increases:	5% compounded annually.
Discount Rate:	4.00%
Healthcare cost trend rates:	a. Non-Medicare Medical and prescription drug costs are assumed to increase by 5.80% during 2022, 8.5% during 2023-2024 reduced by 0.60% - 0.55% per year thereafter to an ultimate level of 4.25% per year. b. Medicare Medical and prescription drug costs are assumed to increase by 1.74% during 2022, 5.75% during 2023-2024 reduced by 0.20% per year thereafter to an ultimate level of 4.25% per year.
Mortality:	2010 Public Safety Amount Based Mortality Tables for Males and Females projected to 2025 using MP-2021 for Police. 2010 Public General Amount Based Mortality Tables for Males and Females projected to 2025 using Table MP-2021 for Non-Uniform and At-Will Groups.
Participation Rate:	100% of retirees who are eligible to participate are assumed to do so. 80% of police retirees are assumed to have a spouse participating in the coverage. 60% of future non-uniformed and at-will retirees are assumed to have a spouse participating in coverage.
Age:	Female spouses of future retirees are assumed to be 3 years younger than male spouses.

The discount rate was based on the S&P 20 Year municipal bond rate.

An actuarial valuation of the total OPEB liability is performed biennially. The total OPEB liability was determined as part of an actuarial valuation at January 1, 2023. Update procedures were used to roll forward to the Borough's fiscal year ended December 31, 2023.

**Changes in the Net OPEB Liability**

Changes in the Borough's net OPEB liability for the plan for the year ended December 31, 2023 were as follows:

	Increase/Decrease		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 1/1/2023	\$ 2,903,130	\$ -	\$ 2,903,130
Changes for the year:			
Service Cost	117,649	-	117,649
Interest	126,617	-	126,617
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions & Cost Method	87,779	-	87,779
Contributions - Employer	-	167,833	(167,833)
Contributions - Other	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(167,833)	(167,833)	-
Administrative Expense	-	-	-
Other Charges	-	-	-
Net Charges	164,212	-	164,212
Balances at 12/31/2023	<u>\$ 3,067,342</u>	<u>\$ -</u>	<u>\$ 3,067,342</u>



BOROUGH OF HELLERTOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2023

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rates***

The following presents the net OPEB liability of the Borough, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease	Current Discount	Rate	1% Increase
	3.00%	4.00%	5.00%	
12/31/2023 Net OPEB Liability	\$ 3,374,645	\$ 3,067,342		\$ 2,795,719

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trends Rates***

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

	1% Decrease	Current Trend	Rates	1% Increase
12/31/2023 Net OPEB Liability	\$ 2,821,248	\$ 3,067,342		\$ 3,359,171

NOTE 10 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2023, expenditures exceeded appropriations in the General Fund department levels (the legal level of budgetary control) in General Government (\$156,866). The excess expenditures were funded by the available fund balance.

NOTE 11 SUBSEQUENT EVENTS

In preparing these financial statements, the Borough has evaluated events and transactions for potential recognition or disclosure through June 27, 2024, the date the financial statements were available to be issued, and has determined that no additional material subsequent events exist that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF HELLERTOWN  
STATEMENT OF REVENUE RECEIVED, EXPENDITURES PAID  
AND CHANGES IN FUND BALANCE – MODIFIED CASH BASIS  
BUDGET AND ACTUAL – GENERAL FUND (1)  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES RECEIVED</b>			
Taxes	\$ 3,533,000	\$ 3,817,224	\$ 284,224
Licenses and Permits	159,702	226,587	66,885
Fines and Forfeitures	40,600	57,729	17,129
Interest and Rent	-	136,733	136,733
Intergovernmental Revenue	117,285	108,754	(8,531)
Charges for Services	263,341	151,884	(111,457)
Miscellaneous Revenue	342,955	51,638	(291,317)
	<b>4,456,883</b>	<b>4,550,549</b>	<b>93,666</b>
<b>EXPENDITURES PAID</b>			
General Government	490,659	647,525	(156,866)
Public Safety	1,449,283	1,313,256	136,027
Public Works - Highways and Streets	621,977	583,185	38,792
Culture and Recreation	564,992	452,621	112,371
Employee Benefits/Taxes	1,405,639	947,436	458,203
Debt Principal and Interest	130,224	129,765	459
Contingencies	5,000	-	5,000
	<b>4,667,774</b>	<b>4,073,788</b>	<b>593,986</b>
<b>EXCESS OF REVENUES RECEIVED OVER EXPENDITURES PAID</b>			
	(210,891)	476,761	687,652
<b>Other Financing Uses</b>			
Operating Transfers - Net	115,639	-	115,639
<b>EXCESS OF REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER EXPENDITURES PAID AND OTHER FINANCING USES</b>			
	(95,252)	476,761	572,013
<b>FUND BALANCE - JANUARY 1, 2023</b>			
	1,951,215	4,452,303	2,501,088
<b>FUND BALANCE - DECEMBER 31, 2023</b>			
	\$ 1,855,963	4,929,064	\$ 3,073,101
<b>FUND BALANCES OF NONREPORTED FUNDS</b>			
		(767,806)	
<b>Total Fund Balance</b>			
		\$ 4,161,258	

There were no amendments to the originally adopted 2023 budget.

(1) Statement includes General Fund activity only; all other general incidental funds are excluded.

See independent auditor's report on supplementary information.

**BOROUGH OF HELLERTOWN  
SCHEDULE OF CONTRIBUTIONS  
POLICE PENSION PLAN  
FOR THE LAST TEN YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contribution	\$ 50,846	\$ 48,460	\$ 46,457	\$ 49,085	\$ 125,382	\$ 126,988	\$ 135,229	\$ 129,190	\$ 28,732	\$ 19,918
Contributions in Relation to the Actuarially Determined Contribution	50,846	48,460	46,457	83,589	142,852	149,960	146,771	140,608	79,723	19,918
Contribution Deficiency (Excess)	-	-	-	(34,504)	(17,470)	(22,972)	(11,542)	(11,418)	(50,991)	-
Covered Payroll	\$ 910,959	\$ 951,342	\$ 892,383	\$ 908,827	\$ 935,001	\$ 976,241	\$ 929,409	\$ 919,651	\$ 970,156	\$ 940,778
Contributions as a Percentage of Covered Payroll	5.6%	5.1%	5.2%	9.2%	15.3%	15.4%	15.8%	15.3%	8.2%	2.1%

**Notes to schedules:**

Assumption Changes - In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 using Scale AA to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes: In 2017, a post-retirement cost of living increase of .3% was granted. In 2018, a post-retirement cost of living increase of 2% was granted. In 2019, a post-retirement cost of living increase of 2.8% was granted and the employee contribution rate increased from 2.5% to 3.5% of salary. In 2020, a post-retirement cost of living increase of 1.6% was granted and the employee contribution rate increased from 3.5% to 4.0% of salary. In 2021, a post-retirement cost of living increase of 1.3% was granted and the employee contribution rate increased from 4.0% to 4.5% of salary. In 2023, a post-retirement cost of living adjustment was granted.

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION PLAN  
FOR THE LAST TEN YEARS\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Money-Weighted Rate of Return, Net of Investment Expenses	-0.41%	5.31%	12.99%	-4.34%	18.73%	13.88%	12.25%	-14.40%	15.33%

\*Ultimately, these schedules should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

**BOROUGH OF HELLERTOWN  
SCHEDULE OF CHANGES IN NET PENSION  
(ASSET) LIABILITY AND RELATED RATIOS  
POLICE PENSION PLAN  
FOR THE LAST TEN YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>									
Service Cost	\$ 172,891	\$ 181,536	\$ 175,447	\$ 184,219	\$ 174,480	\$ 183,204	\$ 189,741	\$ 199,228	\$ 181,746
Interest	321,886	335,925	357,605	376,493	378,587	399,631	421,490	445,513	472,863
Changes of Benefit Terms	-	-	3,969	26,613	38,003	21,577	15,455	-	76,666
Differences Between Expected and Actual Experience	-	-	95,446	-	(275,421)	-	(99,328)	-	(9,297)
Changes of Assumptions	-	-	12,741	-	-	-	89,032	-	-
Benefit Payments, Including Refunds of Member Contributions	(292,085)	(313,642)	(313,990)	(283,242)	(284,033)	(281,450)	(283,063)	(271,999)	(335,821)
Net Change in Total Pension Liability	202,692	203,819	331,218	304,063	31,616	322,962	333,327	372,742	386,157
Total Pension Liability - Beginning	4,571,526	4,774,218	4,978,037	5,309,255	5,613,338	5,644,954	5,967,916	6,301,243	6,673,985
Total Pension Liability - Ending	4,774,218	4,978,037	5,309,255	5,613,338	5,644,954	5,967,916	6,301,243	6,673,985	7,060,142
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	-	-	3,360	-	-	-	-	-	3,632
Contributions - State Aid	48,460	46,457	80,229	142,852	149,960	146,771	140,608	79,723	16,286
Contributions - Member	12,642	18,118	22,808	28,148	32,200	37,772	39,567	44,876	42,337
Net Investment Income	(22,095)	274,803	680,983	(249,784)	1,009,625	873,067	864,337	(1,121,471)	987,560
Benefit Payments, Including Refunds of Member Contributions	(292,085)	(313,642)	(313,990)	(283,242)	(284,033)	(281,450)	(283,063)	(271,999)	(335,821)
Administrative Expense	(8,476)	(7,854)	(8,967)	(8,712)	(9,406)	(6,916)	(8,262)	(13,229)	(7,385)
Net Change in Plan Fiduciary Net Position	(261,554)	17,882	464,423	(370,738)	898,346	769,244	753,187	(1,282,100)	706,609
Plan Net Position - Beginning	5,594,981	5,333,427	5,351,309	5,815,732	5,444,994	6,343,340	7,112,584	7,865,771	6,583,671
Plan Net Position - Ending	5,333,427	5,351,309	5,815,732	5,444,994	6,343,340	7,112,584	7,865,771	6,583,671	7,290,280
Municipality's Net Pension Liability (Asset)	\$ (559,209)	\$ (373,272)	\$ (506,477)	\$ 168,344	\$ (698,386)	\$ (1,144,668)	\$ (1,564,528)	\$ 90,314	\$ (230,138)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	111.7%	107.5%	109.5%	97.0%	112.4%	119.2%	124.8%	98.6%	103.3%
Covered Payroll	\$ 951,342	\$ 892,383	\$ 908,827	\$ 935,001	\$ 976,241	\$ 929,409	\$ 919,651	\$ 970,156	\$ 940,778
Municipality's Net Pension Liability (Asset) as a Percentage of Covered Payroll	-58.8%	-41.8%	-55.7%	18.0%	-71.5%	-123.2%	-170.1%	9.3%	-24.5%

**Notes to schedule:**

Assumption Changes - In 2017, the mortality assumption was changed from the RP-2000 Table projected to 2015 using Scale AA to the RP-2000 Table projected to 2017 using Scale AA. In 2021, the mortality assumption was changed from the RP-2000 Table projected to 2017 using Scale AA to the PubS-2010 projected 5 years past 2021 valuation date using MP-2020.

Benefit Changes: In 2017, a post-retirement cost of living increase of .3% was granted. In 2018, a post-retirement cost of living increase of 2% was granted. In 2019, a post-retirement cost of living increase of 2.8% was granted and the employee contribution rate increased from 2.5% to 3.5% of salary. In 2020, a post-retirement cost of living increase of 1.6% was granted and the employee contribution rate increased from 3.5% to 4.0% of salary. In 2021, a post-retirement cost of living increase of 1.3% was granted and the employee contribution rate increased from 4.0% to 4.5% of salary. In 2023, a post-retirement cost of living adjustment was granted.

Ultimately, this schedule should present information for the last ten years. However, until the years of information can be compiled, information is presented for as many years as is available.

See independent auditor's report on required supplementary information.

BOROUGH OF HELLERTOWN  
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULE  
POLICE PENSION PLAN  
DECEMBER 31, 2023

Actuarial Methods

1. Liabilities - All plan benefits are valued using the entry age normal cost valuation method.

Actuarial Assumptions

1. Economic Assumptions

- a) Investment Return - 7% per annum, net of investment expenses
- b) Salary Increases - 5% compounded annually

2. Economic Assumptions

- a) Mortality  
Pre-Retirement - None  
Post-Retirement – PUBS-2010 Healthy Retiree Mortality projected 5 years past the valuation date using Scale MP-2021.
- b) Termination - None assumed
- c) Disability - None assumed
- d) Retirement Age - Normal retirement age, or age on valuation date if greater
- e) Marital Status - 80% of active members are assumed to be married. Female spouse is assumed to be 3 years younger than male spouse
- f) Form of Annuity - Joint and 50% Survivor

See independent auditor's report on supplementary information.

**BOROUGH OF HELLERTOWN**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 YEARS**

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 150,958	\$ 158,506	\$ 212,394	\$ 223,014	\$ 189,221	\$ 117,649
Interest	113,913	118,072	79,194	81,914	72,657	126,617
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(94,485)	-	(577,247)	-
Changes of assumptions or other inputs	-	-	635,267	-	(854,492)	87,779
Benefit payments	<u>(157,723)</u>	<u>(149,460)</u>	<u>(133,368)</u>	<u>(189,211)</u>	<u>(158,566)</u>	<u>(167,833)</u>
Net change in total OPEB liability	107,148	127,118	699,002	115,717	(1,328,427)	164,212
Total OPEB liability - beginning	<u>3,182,572</u>	<u>3,289,720</u>	<u>3,416,838</u>	<u>4,115,840</u>	<u>4,231,557</u>	<u>2,903,130</u>
Total OPEB liability - ending	<u>\$ 3,289,720</u>	<u>\$ 3,416,838</u>	<u>\$ 4,115,840</u>	<u>\$ 4,231,557</u>	<u>\$ 2,903,130</u>	<u>\$ 3,067,342</u>
Covered Payroll	\$ 1,910,705	\$ 2,006,240	\$ 1,961,483	\$ 2,059,557	\$ 2,058,550	\$ 2,161,478
Total OPEB Liability as a Percent of Covered Payroll	172.2%	170.3%	209.8%	205.5%	141.0%	141.9%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

Note to Schedule: No assets are accumulated in a trust to pay the related benefits.

OTHER SUPPLEMENTARY INFORMATION



BOROUGH OF HELLERTOWN  
 COMBINING BALANCE SHEET – MODIFIED CASH BASIS – SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2023

	Fire Protection	State Liquid Fuels	American Rescue Plan	Total
<b>ASSETS</b>				
Restricted Cash	\$ 117,901	\$ 11,487	\$ -	\$ 129,388
Total Assets	\$ 117,901	\$ 11,487	\$ -	\$ 129,388
<b>LIABILITIES AND FUND BALANCES</b>				
Fund Balance Restricted	\$ 117,901	\$ 11,487	\$ -	\$ 129,388
Total Liabilities and Fund Balances	\$ 117,901	\$ 11,487	\$ -	\$ 129,388

See independent auditor's report on supplementary information.

BOROUGH OF HELLERTOWN  
 COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND  
 BALANCES – MODIFIED CASH BASIS – SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Fire Protection	State Liquid Fuels	American Rescue Plan	Total
<b>REVENUES RECEIVED</b>				
Taxes	\$ 200,175	\$ -	\$ -	\$ 200,175
Intergovernmental Revenues	-	175,144	-	175,144
Interest	-	26	4	30
Miscellaneous	-	-	-	-
<b>Total Revenue Received</b>	<b>200,175</b>	<b>175,170</b>	<b>4</b>	<b>375,349</b>
<b>EXPENDITURES PAID</b>				
Public Works - Highways and Streets	-	170,382	-	170,382
Public Safety - Fire	99,154	-	-	99,154
Culture and Recreation	-	-	-	-
<b>Total Expenditures Paid</b>	<b>99,154</b>	<b>170,382</b>	<b>-</b>	<b>269,536</b>
<b>EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID</b>	<b>101,021</b>	<b>4,788</b>	<b>4</b>	<b>105,813</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(110,000)	-	(494,255)	(604,255)
<b>Total Other Financing Uses, Net</b>	<b>(110,000)</b>	<b>-</b>	<b>(494,255)</b>	<b>(604,255)</b>
<b>EXCESS (DEFICIT) OF REVENUES RECEIVED AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING USES</b>	<b>(8,979)</b>	<b>4,788</b>	<b>(494,251)</b>	<b>(498,442)</b>
Fund Balances - January 1, 2023	126,880	6,699	494,251	627,830
Fund Balances - December 31, 2023	<u>\$ 117,901</u>	<u>\$ 11,487</u>	<u>\$ -</u>	<u>\$ 129,388</u>

See independent auditor's report on supplementary information.

BOROUGH OF HELLERTOWN  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS – BUDGET AND ACTUAL – FIRE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES RECEIVED			
Taxes	<u>\$ 201,361</u>	<u>\$ 200,175</u>	<u>\$ (1,186)</u>
Total Revenues Received	<u>201,361</u>	<u>200,175</u>	<u>(1,186)</u>
EXPENDITURES PAID			
Public Safety - Fire	<u>201,861</u>	<u>99,154</u>	<u>102,707</u>
Total Expenditures Paid	<u>201,861</u>	<u>99,154</u>	<u>102,707</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID	(500)	101,021	101,521
OTHER FINANCING SOURCES (USES)			
Operating Transfers - Net	<u>-</u>	<u>(110,000)</u>	<u>(110,000)</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING SOURCES (USES)	(500)	(8,979)	(8,479)
FUND BALANCE - JANUARY 1, 2023	<u>116,573</u>	<u>126,880</u>	<u>10,307</u>
FUND BALANCE - DECEMBER 31, 2023	<u>\$ 116,073</u>	<u>\$ 117,901</u>	<u>\$ 1,828</u>

BOROUGH OF HELLERTOWN  
STATEMENT OF REVENUES RECEIVED, EXPENDITURES PAID AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS – BUDGET AND ACTUAL – LIQUID FUELS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES RECEIVED			
Interest	\$ 55	\$ 26	\$ (29)
Intergovernmental Revenues	173,691	175,144	1,453
Miscellaneous	9,000	-	(9,000)
	<u>182,746</u>	<u>175,170</u>	<u>(7,576)</u>
Total Revenues Received			
EXPENDITURES PAID			
Public Works - Highways and Streets	<u>191,000</u>	<u>170,382</u>	<u>20,618</u>
Total Expenditures Paid	<u>191,000</u>	<u>170,382</u>	<u>20,618</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID	(8,254)	4,788	13,042
OTHER FINANCING SOURCES (USES)			
Operating Transfers - Net	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES PAID AND OTHER FINANCING SOURCES (USES)	(8,254)	4,788	13,042
FUND BALANCE - JANUARY 1, 2023	<u>16,160</u>	<u>6,699</u>	<u>(9,461)</u>
FUND BALANCE - DECEMBER 31, 2023	<u>\$ 7,906</u>	<u>\$ 11,487</u>	<u>\$ 3,581</u>