

*Borough of
Chambersburg
Pennsylvania*



*Annual Comprehensive
Financial Report*

*For the Year Ended
December 31, 2024*

Borough of Chambersburg
Pennsylvania

Annual Comprehensive
Financial Report

For the Year Ended
December 31, 2024

Prepared by the
Department of Finance

CONTENTS

I. INTRODUCTORY SECTION (UNAUDITED)

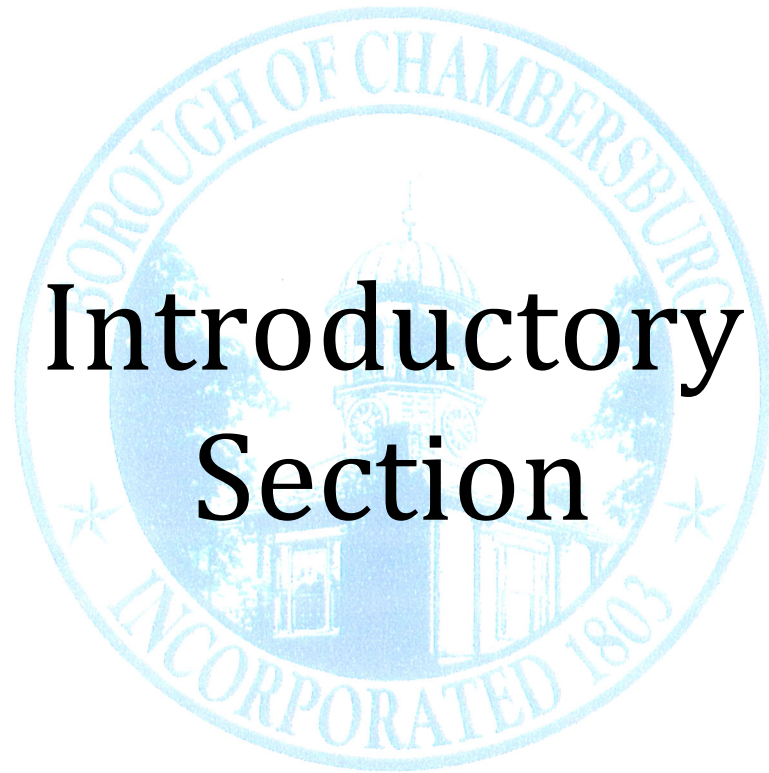
Certificate of Achievement for Excellence in Financial Reporting	I
Letter of Transmittal	II - VIII
Borough of Chambersburg Organization Chart	IX
Mayor and Town Council	X
List of Borough Officers and Officials	XI

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5 - 17
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of net position	18
Statement of activities	19
Fund Financial Statements	
Balance sheet – governmental funds	20
Reconciliation of governmental funds balance sheet to the statement of net position	21
Statement of revenues, expenditures, and changes in fund balance – governmental funds	22
Reconciliation of statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities	23
Statement of net position - proprietary funds	24
Statement of revenues, expenses, and changes in fund net position – proprietary funds	25
Statement of cash flows - proprietary funds	26
Statement of fiduciary net position	27
Statement of changes in fiduciary net position	28
Notes to Financial Statements	29 - 78
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of changes in the Borough's net pension liability and related ratios – pension trust funds	79 - 81
Schedule of Borough contributions – pension trust funds	82
Schedule of investment returns – pension trust funds	83
Schedule of changes in the Borough's total OPEB liability and related ratios	84
Budgetary comparison schedule – general fund	85
OTHER SUPPLEMENTARY INFORMATION - COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND SCHEDULES	
Other Governmental Funds	86
Combining balance sheet – other governmental funds	87
Combining statement of revenues, expenditures, and changes in fund balances – other governmental funds	88
Budgetary comparison schedule – capital reserve fund	89
Budgetary comparison schedule – special revenue fund – grant programs	90
Budgetary comparison schedule – special revenue fund – liquid fuels	91
Budgetary comparison schedule – special revenue fund – fire tax fund	92
Budgetary comparison schedule – special revenue fund – police station bond tax fund	93
Budgetary comparison schedule – special revenue fund – recreation bond tax fund	94
Budgetary comparison schedule – special revenue fund – citizen's reward fund	95
Other Enterprise Funds	96
Combining statement of net position – other enterprise funds	97
Combining statement of revenues, expenses, and changes in net position – other enterprise funds	98
Combining statement of cash flows – other enterprise funds	99

CONTENTS (CONTINUED)

Internal Service Funds	100
Combining statement of net position - internal service funds	101
Combining statement of revenues, expenses, and changes in fund net position - internal service funds	102
Combining statement of cash flows – internal service funds	103 - 104
Trust Funds	105
Combining statement of fiduciary net position – pension trust funds	106
Combining statement of changes in fiduciary net position – pension trust funds	107
Schedule of Taxes Receivable	108
III. STATISTICAL SECTION (UNAUDITED)	
Schedule 1 - Net position by component	109
Schedule 2 - Changes in net position	110 - 111
Schedule 3 - Fund balances – governmental funds	112
Schedule 4 - Changes in fund balances - governmental funds	113
Schedule 5 - Program revenues by function	114
Schedule 6 - Tax revenues by source – governmental funds	115
Schedule 7 - Property tax rates – direct and overlapping governments	116
Schedule 8 - Assessed value and actual value of taxable property	117
Schedule 9 - Principal taxpayers	118
Schedule 10 - Property tax levies and collections	119
Schedule 11 - Municipal earned income tax revenue base and collections	120
Schedule 12 - Earned income tax statistics	121
Schedule 13 - Ratios of outstanding debt by type	122
Schedule 14 - Ratios of general bonded debt outstanding	123
Schedule 15 - Legal debt margin information	124
Schedule 16 - Computation of direct and overlapping debt	125
Schedule 17 - Demographic and economic statistics	126
Schedule 18 - Principal employers	127
Schedule 19 - Full-time equivalent municipal employees by function/program	128
Schedule 20 - Operating indicators by function/program	129
Schedule 21 - Capital asset statistics by function/program	130
IV. SINGLE AUDIT SECTION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	131
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	132
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	133 - 134
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	135 - 137
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	138 - 139
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	140



Introductory Section



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Borough of Chambersburg
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



Borough of Chambersburg

*A full service municipality in Franklin County
celebrating over 65 years of consumer owned natural gas service
over 120 years of community electric and a
regional wastewater, water, and municipal solid waste utility*

Letter of Transmittal for 2024 Annual Comprehensive Financial Report

June 30, 2025

To the Honorable Mayor, Town Council and the Citizens of the Borough of Chambersburg, Pennsylvania.

The Annual Comprehensive Financial Report of the Borough of Chambersburg for the year ended December 31, 2024, is hereby submitted for your review. This report represents the commitment of the Borough of Chambersburg to adhere to nationally recognized standards of excellence in financial reporting.

Borough of Chambersburg staff prepared all statements, schedules, and other presentations in this report. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this report is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Borough. Further, we believe that all disclosures necessary to enable the reader to gain an understanding of the Borough of Chambersburg's activities have been included.

The Annual Comprehensive Financial Report incorporates financial reporting standards established by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Statement No. 34 was developed to make annual financial reports of governments more comprehensive and easier to understand and use. All required elements of Statement No. 34, including retroactive restatement of general infrastructure assets are now required in this report and are included in this report as they were in the previous years' reports.

Please review the Management's Discussion and Analysis (MD&A) which is located in the Financial Section of the Annual Comprehensive Financial Report. The MD&A is management's analysis of the municipality's financial position based on currently known facts as of the date of the auditor's report. It is required to precede the financial statements and provide the following analysis:

- Management's analysis of the organization's financial position and results of operations
- Comparison of current year assets, liabilities, revenues and expenses to the prior year
- Explanation of significant changes in fund based financial results and budgetary information
- Description of capital asset and long-term debt activity during the year
- Description of currently known facts, decisions or circumstances expected to have a significant effect on the future overall financial activities of the municipality

THE BOROUGH OF CHAMBERSBURG

General Information

The Borough of Chambersburg, one of the earliest permanent settlements west of the Susquehanna River, was founded in 1764 by Benjamin Chambers on land granted to him by the Penn Proprietors. Chambersburg was incorporated as a Borough by an Act of the State Legislature on March 21, 1803. It is located on Interstate 81 in the south-central region of Pennsylvania and is the county seat of Franklin County. The Borough covers an area of 6.58 square miles and lies approximately 50 miles southwest of Harrisburg, 25 miles west of Gettysburg, and 22 miles north of Hagerstown, Maryland. It is the historic and commercial center of the region characterized by varied small and medium industrial enterprises, a rich agricultural area, and residential growth.

According to the U.S. Bureau of the Census, the Borough's population increased from 20,268 to 21,903, between 2010 and 2020, an increase of 8.06 percent during the period.

Municipal Services and Facilities

The Borough is a total service community providing a broad range of services for the citizens of Chambersburg, including the following general government functions: police and fire protection, emergency medical services, street construction and maintenance, parks and recreation facilities, code enforcement and community development.

The Borough is unique in Pennsylvania in that it owns and operates electric, gas, water, sewer, sanitation, storm sewer, parking facilities and an aquatics center. The Borough is the largest municipal electric system, and the only electricity producing, consumer-owned, system in the Commonwealth of Pennsylvania. The Chambersburg Electric Department has been in service to the citizens of Chambersburg since 1893 and the Borough's Gas Department has been providing municipal natural gas since 1946. On August 20, 1875, the citizens of Chambersburg voted in favor of a bond issue to construct a water system, and sewer service was initiated on August 1, 1912.

This report also includes financial data for the Borough's discretely presented component unit, the Chambersburg Area Municipal Authority, which provides conduit financing for local organizations and serves to further economic development in the community through various projects.

Governmental Organization

The Act of Incorporation in 1803 provided for "the Burgess and Town Council of the Borough of Chambersburg as the one body politic and corporate in law". The title Burgess was changed to Mayor in 1961. The Mayor is elected at large every four years. His/her duties are outlined in the Borough Code and include the oversight of the Police Department. The Mayor votes on actions being considered by Town Council only to break tie votes.

The legislative and executive authority of the Borough is vested in a ten-member Council. Two councilmembers are elected from each of the five wards, one councilmember from each ward being elected at each biennial election. Council members are elected to overlapping four-year terms. The council enacts legislation to provide for Borough services, adopts budgets, levies taxes, borrows money, licenses and regulates businesses and trades, and performs such other duties consistent with the Borough Code. The presiding officer of the Council is the President of Council, who is a member of Council, and elected to that position by a vote of Council members.

By an ordinance approved in December 1975, Town Council created the office of the Borough Manager. The Borough Manager is the Chief Administrative Officer of the Borough and is responsible to the Town Council as a whole for the proper and efficient administration of the affairs of the Borough. The manager is appointed for an indefinite term and serves at the pleasure of Council.

The Director of Finance, who is appointed by the Borough Manager, is the Chief Financial Officer of the Borough. In the Borough of Chambersburg, the role of the Director of Finance and that of the Borough Treasurer – who is appointed by Town Council – are filled by the same individual, who exercises the powers granted to the Borough Treasurer position under the laws of the Commonwealth of Pennsylvania. As such, the Director of Finance is charged with the responsibility of receiving, disbursing, and maintaining custody of all funds of the Borough, and serves as the Pension Funds Chief Administrative Officer. The Director of Finance advises the Borough Manager and Town Council concerning financial matters and assists the Borough Manager in the preparation of the annual budget.

Departmental Highlight – Chambersburg Sanitation Department

Each year, we spotlight one of the Borough’s many departments by reviewing the selected department's history, activities, and accomplishments. Last year’s report focused on the Chambersburg Police Department. This year’s report highlights the Sanitation Department.

Since the founding of Chambersburg, our citizens have had to find ways to deal with trash. Originally, trash disposal was a private affair, as homeowners frequently resorted to burning trash in their yards. Another option was to throw garbage into alleys, and scavenging wildlife would serve the useful purpose of providing the first “curbside pick-up” service in town.

As the population grew, and in-town disposal began to be perceived as both a nuisance and a health threat, the citizens established a dump on the outskirts of the municipality. They were free to transport their refuse to the dump, but there were also private “slop wagons” that would cart the citizens’ household waste for a fee. In the 1940s, these private services were phased out, as the Sanitation Department was established, and employees of the Borough began picking up trash from each household as a municipally-provided service. With the advent of new state regulations in the 1970s, which would have required expensive modifications to the existing site, the Borough chose to close down the town dump for all types of refuse except for green yard waste. Household waste would now be transported to private landfills outside of town.

The Sanitation Department added many new services during the twentieth century including mechanical street sweepers, recycling of many materials, including glass, metal, and newspapers, and a drop-off for bulky items was provided twice yearly. New rules for electronic device recycling took place in 2013, and the Borough purchased a new leaf vacuum truck to help with fall leaf pick-up later that year. In 2015, the old dump was closed for all refuse, as the Borough established a new Green Yard Waste Recycling facility in Hamilton Township.

Today, the Sanitation Department operates a fleet of five trash pick-up trucks (two residential and three commercial), two recycling vehicles, and two street sweepers, all operated by twelve employees. With the start of 2025, a new street sweeper designed for weed removal of the curbs was implemented. This street sweeper eliminates the need to outsource this service and significantly reduces the amount of herbicide used to control vegetation within the Borough. This machine has a remotely controlled front-mounted brush that seamlessly removes weeds and debris using no pesticides.

Economic Environment - Historical

Chambersburg’s history as a strong commercial center is rooted in its strategic location. It was a crossroads of commerce almost from its founding. Situated in the center of the Cumberland Valley, it became the county seat of the newly created Franklin County in 1784. Scotch-Irish and German settlers predominated the early migration into the county. The Scotch-Irish began as farmers from the sheer necessity of survival, but many drifted into political and military occupations. The methodical and industrious Germans quickly and successfully assumed the development of agriculture in the community.

By congressional resolution in 1788, Chambersburg was placed on the post route between Philadelphia and Pittsburgh. The country's post-Revolutionary War expansion to the new western frontiers was beneficial to Chambersburg. At first, pack trains, and then the stagecoach and Conestoga wagons were common vehicles of traffic through the town. The demands for the movement of goods manufactured in the East to the West and the products from the frontier were beneficial to Chambersburg. It was reported of every tenth house being used as a hostelry, with the yards being filled nightly to overflowing with wagons.

As wagon traffic increased in volume, the demand for better roads arose. Many of the state's earliest roads were undertaken by the private sector. Acceding to public demands, the State Legislature made large appropriations available for highway construction between 1814 and 1821. \$ 275,000 was available for improvements of sections of the Carlisle to Chambersburg and the Chambersburg to Bedford sections of the turnpikes. In 1877, thirty-nine of the eighty-eight miles of turnpike in Franklin County were on roads converging on Chambersburg. By 1944, there were 228 miles of main highways and 338 miles of improved secondary roads in Franklin County.

In 1837, the Cumberland Valley Railroad was extended from Harrisburg to Chambersburg where it joined the turnpike to Pittsburgh. The railroad extended down the Cumberland Valley and crossed the Potomac River in 1870 and eventually was extended to Winchester, Virginia in 1889.

The Pennsylvania Turnpike was completed through the County in 1940. The county had two interchanges located within the general area of Chambersburg. The development of the largest U. S. Army Ordnance distribution facility of its kind in 1942 illustrated the possibilities of the area developing as a center of distribution. Chambersburg's location in relation to seaports, metropolitan markets and industrial areas was evident from the beginning.

Economic Environment - Today

The construction of the interstate highway system in the 1960's resulted in Interstate 81 being on the eastern edge of the Borough. Chambersburg has become a magnet for distribution warehouses to facilitate the flow of goods on the East Coast. Authorities are examining their options on how Interstate 81 can be improved to handle the abundant truck traffic that transverses the highway daily. This access to major highways and railroads coupled with Chambersburg's location has created opportunities for our continued prosperity. Other factors that make the Borough a good place to do business are competitively low utility rates, quality municipal services, ample power supplies, affordable housing, a skilled and diversified workforce, a low crime rate, and a progressive school district.

The 10 largest employers operating in the Borough in 2024 were:

EMPLOYER	PRIMARY BUSINESS	AVERAGE NUMBER OF EMPLOYEES
Wellspan Health	Health Care	3,650
Chambersburg School District	Public Education	1,225
Franklin County Government	Government	676
Ventura Foods	Food Packaging	661
Menno Haven, Inc	Retirement Community	660
Keystone Health	Health Care	600
Borough of Chambersburg	Municipal Government	275
Global Data Consultants	Information Technology Solutions	270
Regal/Rexnard (formerly TB Woods, Inc.)	Power Transmission Equipment	220
Knouse Foods	Food Packaging	180

The Borough of Chambersburg is considered the employment center for the region. Between 2,000 and 28,000 people work in the Borough on a daily basis.

However, within just five miles of Chambersburg there are a number of significant employers that add to the vitality of the community. Those employers are as follows:

EMPLOYER	PRIMARY BUSINESS	AVERAGE NUMBER OF EMPLOYEES
Letterkenny Army Depot/Tenants	Repair Military Vehicles and Missiles	2,130
Walmart	Retail	1,000
Target Distribution Center	Distribution Warehousing	964
Ulta Beauty	Distribution Center	850
Martins Famous Pastry Shoppe, Inc.	Potato Bread and Rolls	733

FINANCIAL INFORMATION

Borough management has taken the initiative to prepare an Annual Comprehensive Financial Report starting with fiscal year ending December 31, 2004, and each year thereafter. The Annual Comprehensive Financial Report (ACFR) provides readers of our financial statements with much additional information relating to the financial condition of the Borough of Chambersburg. Among these include information regarding our local taxpayers, employers, and a plethora of similar information encompassing the past ten years. We are honored and pleased that our efforts have resulted in our receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for each year an Annual Comprehensive Financial Report has been prepared. We are again cognizant of the implications of our continuing to strive for such a prestigious award and will continue to pursue it. With this award, we have been designated as having attained the “highest standards in governmental accounting and financial reporting”.

Accounting/Budgetary Control System

Internal Controls. To provide reasonable assurance of the reliability of the information underlying the Borough of Chambersburg’s financial statements, management of the Borough is responsible for the establishment and maintenance of an internal control system that provides reasonable, but not absolute, assurance that:

1. The Borough’s assets are protected against loss and unauthorized use or disposition; and
2. Adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America

The concept of reasonable assurance recognizes that:

1. The cost of control should not exceed the benefits likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Borough is responsible for ensuring that adequate controls are in place to ensure and document compliance with applicable laws and regulations related to these programs.

Budgetary Controls. Town Council approves an annual budget for all funds and approves subsequent adjustments to that budget as needed. The “legal level of control” is the level of detail as approved by Council in its appropriation actions and ordinances. Total expenditures and encumbrances cannot exceed the amount approved by Council at the legal level of control. Legal level of control for the Borough is based on departmental level.

A purchasing control system is maintained which generally requires that an applicable appropriation be controlled through the issuance of encumbrances, authorized purchase orders and work orders before a purchase may be made or a contract executed.

Long Term Financial Planning

The Borough of Chambersburg Capital Improvements Plan is a five-year plan reflecting the programming and prioritization of capital improvement needs beginning in the current year. The plan is not a budget, but rather a multi-year approach to capital improvements planning and analysis. The plan incorporates projects and proposals that may, in final analysis, not receive funding, or that may be programmed for a future year.

The plan defines capital projects accordingly:

- A project related to a capital asset according to the Capital Asset Policy adopted by Town Council.
- A project that adds value or useful life to a capital asset.
- A project involving buildings, facilities, land or easements as long as title does not expire in less than twenty-one years.
- A project involving buildings, facilities, land or easements as long as the useful life of such is twenty years or greater and the fair market value is greater than \$ 10,000.
- A project involving technology, vehicles or equipment as long as the useful life of such is two years or greater and the fair market value is greater than \$ 10,000.

Capital improvement needs for a particular fiscal year are budgeted in a variety of accounts due to the complexity of the Borough budget. Regardless of their placement in the budget, projects require the approval of Town Council in scheduling and appropriation. Should the project be approved in a future budget, the recommended funding source will be set. As such, the plan is subject to change as Town Council adjusts spending limits going forward.

CHANGES IN FINANCIAL POLICIES

The Borough of Chambersburg adopted new accounting guidance, Government Accounting Standards Board (“GASB”) Statement No. 87, *Leases*, as of January 1, 2022, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2023, GASB Statement No. 100, *Accounting Changes and Error Corrections* as of January 1, 2024 and GASB Statement No. 101, *Compensated Absences*, as of January 1, 2024.

INDEPENDENT AUDIT

The independent accounting firm, Smith Elliott Kearns & Company, LLC, audited the basic financial statements of the Borough of Chambersburg for fiscal year 2024. The financial statements have received an unmodified opinion indicating that, in all material respects, the Borough’s basic financial statements are presented fairly and in conformity with accounting principles generally accepted in the United States of America. Auditing standards generally accepted in the United States of America were used by the auditors in conducting the engagement.

ACKNOWLEDGMENTS

The preparation of this Annual Comprehensive Financial Report would not have been possible without the consistently meticulous hard work of every member of the Accounting Department, including Eric Day, Assistant Director of Finance/Assistant Borough Treasurer, Michelle Amsley – Accounting Supervisor, Maria Wagner – Finance Department Secretary, Stephanie Glover, Treasury Accountant, Jennifer Rutan – Accounts Receivable Clerk, Chris Roberts – Accounts Payable Clerk. This effort requires a significant investment of time and resources on behalf of many, above and beyond their routine responsibilities.

Appreciation is also due to the Department Heads, Assistant Department Heads, Departmental Secretaries, employees of the various departments of the Borough, and our auditors Smith Elliott Kearns & Company, LLC, for their dedicated efforts in assisting in the preparation of this report. Specifically, I would like to express appreciation to Borough Manager, Jeffrey Stonehill, who has shown consistent confidence and support of the Finance Department.

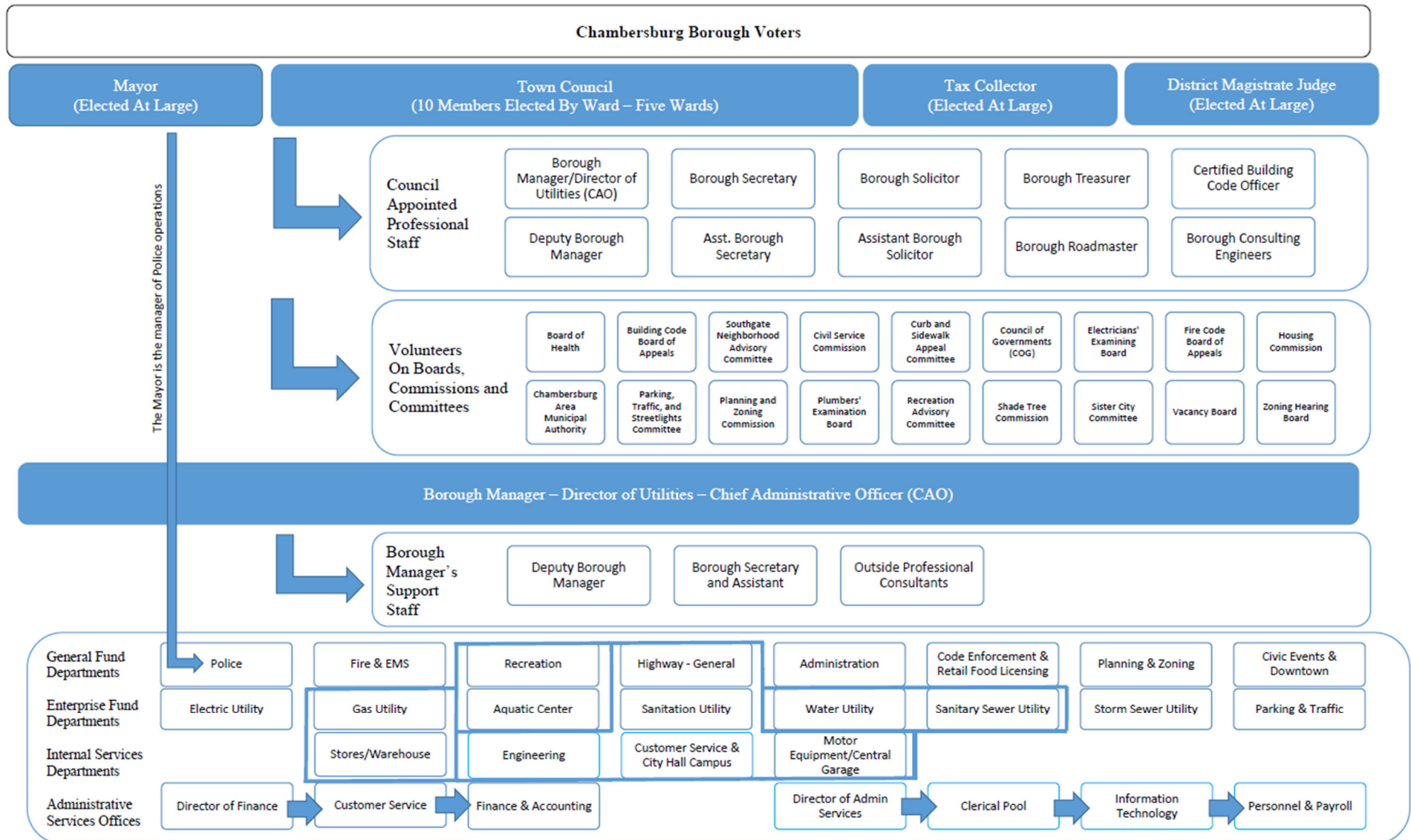
Finally, I would like to thank the Mayor and members of Town Council for their leadership and support, and particularly for their faith in the abilities and dedication of Borough staff to strive for, and to continue to meet, the high performance standards that have come to be the norm in our organization.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B J Hayhurst', with a long horizontal flourish extending to the right.

Benjamin J. Hayhurst, CPA
Director of Finance/Borough Treasurer

Chambersburg Organizational Chart 2024



2024 ROSTER
MAYOR AND MEMBERS OF TOWN COUNCIL
OF THE BOROUGH OF CHAMBERSBURG, PENNSYLVANIA

MAYOR

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406 South Coldbrook Avenue
Chambersburg, PA 17201
2022-2025
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Council Meetings – 7:00 P.M.
Regular Public: 2nd and 4th Mondays – Council Chambers, 1st Floor

BOROUGH OFFICERS AND OFFICIALS AS OF DECEMBER 31, 2024

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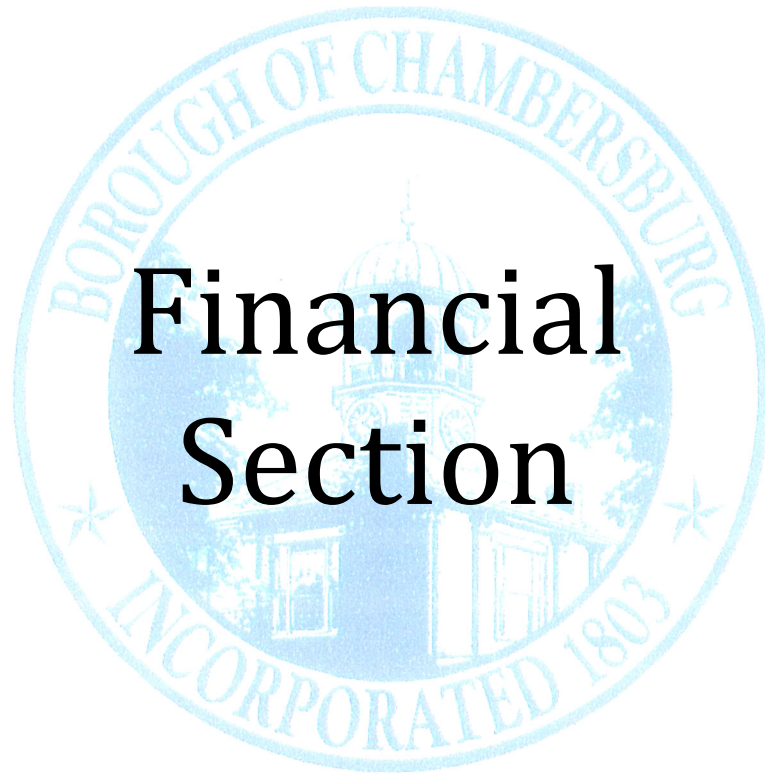
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Oliver Arispe
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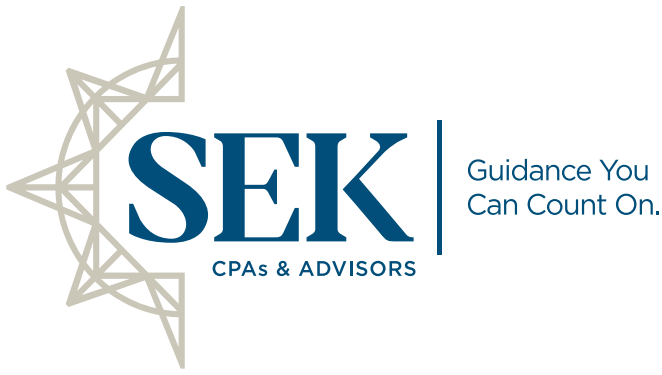
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Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Borough Council
Borough of Chambersburg
Chambersburg, Pennsylvania

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough of Chambersburg, Pennsylvania, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough of Chambersburg, Pennsylvania's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough of Chambersburg, Pennsylvania, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Chambersburg, Pennsylvania, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit, Chambersburg Area Municipal Authority, were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, as of January 1, 2024, the Borough of Chambersburg adopted new accounting guidance, *GASB No. 101, Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 of Chambersburg, Pennsylvania'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 of Chambersburg, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, the schedules related to the pension and OPEB liabilities on pages 79 through 84, and budgetary comparison information on page 85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Chambersburg, Pennsylvania's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the Borough of Chambersburg, Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Chambersburg, Pennsylvania's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Chambersburg, Pennsylvania's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Smith & Platt Reams & Company, LLC". The signature is written in a cursive, flowing style.

Chambersburg, Pennsylvania
June 30, 2025

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA

Management's Discussion and Analysis - Unaudited

The management of the Borough of Chambersburg provides the following information as an introduction, overview, and analysis of the Borough's financial statements for the year ended December 31, 2024. Readers should also review the basic financial statements and related footnotes on pages 18 – 78 to further enhance their understanding of the Borough's financial performance.

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

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can first understand the Borough of Chambersburg as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities (referred to collectively as the government-wide statements) provide information about the activities as an entire operating entity, presenting both an aggregate view of the Borough's finances and a longer-term view of those assets and liabilities. Major fund statements provide the next level of detail. Governmental funds statements tell how services were financed in the short-term as well as what dollars remain for future spending. Proprietary funds statements are prepared on the same basis as the government-wide statements.

Reporting on the Borough of Chambersburg as a Whole

Statement of Net Position and Statement of Activities

These government-wide statements answer the question "How did the Borough, as a whole, perform financially during 2024?" They are prepared on the accrual basis of accounting, in much the same way as a private enterprise, which includes all assets and liabilities and takes into account all of the reporting year's revenues and expenses, regardless of when the cash was received or paid. This report also includes financial data for the Borough's discretely presented component unit, the Chambersburg Area Municipal Authority, which provides conduit financing for local organizations and serves to further economic development in the community through various projects.

- **The Statement of Net Position.** This statement (page 18) reports all assets and liabilities of the Borough as of December 31, 2024. The difference between total assets plus deferred outflow of resources and total liabilities plus deferred inflows of resources is reported as "net position". Increases in net position generally indicate an improvement in financial standing while decreases may indicate a deterioration of financial position.
- **The Statement of Activities.** This statement (page 19) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Borough for the year ended December 31, 2024. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the Borough's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

A more detailed explanation of these statements is found in Note 1 on pages 29 - 46 in the Notes to the Financial Statements.

Reporting on the Borough of Chambersburg's Most Significant Funds

Fund Financial Statements

These statements provide the financial position and results of operations of the Borough's major funds. A fund is an accounting entity created to account for a specific activity or purpose. Major funds of the Borough of Chambersburg are the General Fund, Electric Fund, Gas Fund, Water Fund, Sewer Fund, Sanitation Fund, Swimming Pool Fund and Storm Sewer. The creation of some funds is mandated by law, while others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for "governmental-type" activities. Unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question "Are there more or less resources that can be spent in the near future as a result of events and transactions of the reporting period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in spendable resources are reported as "expenditures" or "other financing uses." We describe the differences between governmental funds and governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) in reconciliations presented on pages 18 and 19.

The Borough of Chambersburg maintains separate governmental funds. The governmental fund financial statements on pages 20 through 23 separately display the governmental funds considered to be major funds. All other governmental funds - the "non-major" funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

- **Proprietary funds.** There are two types of proprietary funds: enterprise funds and internal service funds.

Enterprise funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which either 1) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges, or 2) determination of net income is appropriate for management control, accountability or other purposes.

The Borough of Chambersburg's Electric, Gas, Water, Sewer, Sanitation Fund, Swimming Pool and Storm Sewer Funds are all considered to be major funds and are displayed separately in the proprietary fund statements on pages 24 through 26. The Borough has one other proprietary funds, Parking, Traffic and Street Lights, the activity is included in one column for the non-major funds.

Internal Service funds - Often, governments wish to allocate the cost of providing certain centralized services (e.g., motor pools, data processing, warehouses) to the other departments of the governmental entity that use the services. An internal service fund is the appropriate accounting mechanism when it is the intent of the government to recover the full cost of providing the service, through user charges to other departments.

The Borough of Chambersburg's six internal service funds are combined into a single column in the proprietary fund financial statements. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Borough’s government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Borough’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fiduciary fund statements are on pages 27 - 28 of this report.

Other Information

Notes to the Basic Financial Statements

The notes provide additional and explanatory data. They are an integral part of the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). RSI includes schedules of pension information, OPEB required schedule of funding progress and budgetary schedules for the General Fund and grant programs fund. This data is on pages 79 through 85 of this report.

The Borough of Chambersburg as a Whole

The following table presents condensed information on net position as of December 31, 2024 and 2023.

	Net Position					
	December 31, 2024 and 2023					
	2024	2023	2024	2023	2024	2023
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	(Restated)		(Restated)
Assets						
Current and other assets	\$ 23,034,054	\$ 18,188,479	\$ 69,879,278	\$ 57,664,559	\$ 92,913,332	\$ 75,853,038
Capital assets	36,150,047	34,883,625	156,643,812	156,034,668	192,793,859	190,918,293
Total assets	59,184,101	53,072,104	226,523,090	213,699,227	285,707,191	266,771,331
Deferred Outflows of Resources						
Total deferred outflows of resources	1,892,710	3,347,285	1,019,976	2,101,370	2,912,686	5,448,655
Liabilities						
Current liabilities	2,472,792	2,334,404	8,973,002	8,373,272	11,445,794	10,707,676
Other liabilities	21,383,840	21,931,898	54,470,304	46,156,133	75,854,144	68,088,031
Total liabilities	23,856,632	24,266,302	63,443,306	54,529,405	87,299,938	78,795,707
Deferred Inflows of Resources						
Total deferred inflows of resources	3,563,187	4,195,290	4,349,837	4,994,197	7,913,024	9,189,487
Net Position:						
Net investment in capital assets	24,827,443	24,719,080	113,081,399	113,828,089	137,908,842	138,547,169
Restricted	10,834,138	6,999,140	-	-	10,834,138	6,999,140
Unrestricted	(2,004,589)	(3,760,423)	46,668,524	42,448,906	44,663,935	38,688,483
Total net position	\$ 33,656,992	\$ 27,957,797	\$ 159,749,923	\$ 156,276,995	\$ 193,406,915	\$ 184,234,792

In total, combined net position equaled \$193.41 million as of December 31, 2024.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

The following tables present condensed information on the changes in net position for the years ended December 31, 2024, and 2023, respectively.

Changes in Net Position
Year Ended December 31, 2024

	Governmental Activities	Business-Type Activities	Total Activities
Revenues			
Program revenues:			
Charges for services	\$ 4,986,088	\$ 64,517,205	\$ 69,503,293
Operating grants and contributions	2,754,187	2,187,577	4,941,764
Capital grants and contributions	3,239,000	1,019,588	4,258,588
General revenues:			
Property taxes, levied for general purposes	5,335,576	-	5,335,576
Property taxes, levied for specific purposes	1,600,945	-	1,600,945
Real estate transfer tax	672,512	-	672,512
Earned income tax	3,170,150	-	3,170,150
Local services tax	809,186	-	809,186
Other taxes	106,632	-	106,632
Unrestricted investment earnings (loss)	801,702	2,510,787	3,312,489
Miscellaneous income	67,170	107,303	174,473
Total revenues	<u>\$ 23,543,148</u>	<u>\$ 70,342,460</u>	<u>\$ 93,885,608</u>
Expenses			
General government	\$ 2,431,877	\$ -	\$ 2,431,877
Public safety	13,996,901	-	13,996,901
Public works	2,562,015	-	2,562,015
Community development	802,611	-	802,611
Culture and recreation (also interest expense)	2,001,024	-	2,001,024
Electric	-	30,097,257	30,097,257
Gas	-	7,660,636	7,660,636
Water	-	5,819,771	5,819,771
Sewer	-	9,864,857	9,864,857
Swimming Pool	-	1,213,887	1,213,887
Sanitation	-	4,691,347	4,691,347
Parking, Traffic and Street Lights	-	1,782,261	1,782,261
Storm Sewer	-	1,314,850	1,314,850
Total expenses	<u>21,794,428</u>	<u>62,444,866</u>	<u>84,239,294</u>
Excess before transfers	1,748,720	7,897,594	9,646,314
Transfers	4,194,990	(4,194,990)	-
Change in net position	5,943,710	3,702,604	9,646,314
Net position - beginning, as previously reported	27,957,797	156,208,580	184,166,377
Restatements (see Note 17)	(244,515)	(161,261)	(405,776)
Net position - beginning, as restated	<u>27,713,282</u>	<u>156,047,319</u>	<u>183,760,601</u>
Net position - ending	<u>\$ 33,656,992</u>	<u>\$ 159,749,923</u>	<u>\$ 193,406,915</u>

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

Changes in Net Position
Year Ended December 31, 2023

	Governmental Activities	Business-Type Activities (Restated)	Total Activities
Revenues			
Program revenues:			
Charges for services	\$ 4,676,430	\$ 60,941,920	\$ 65,618,350
Operating grants and contributions	3,779,367	722,216	4,501,583
Capital grants and contributions	-	851,753	851,753
General revenues:			
Property taxes, levied for general purposes	5,246,648	-	5,246,648
Property taxes, levied for specific purposes	1,573,770	-	1,573,770
Real estate transfer tax	539,404	-	539,404
Earned income tax	2,870,031	-	2,870,031
Local services tax	774,115	-	774,115
Other taxes	30,522	-	30,522
Unrestricted investment earnings (loss)	804,910	2,352,424	3,157,334
Miscellaneous income	425,450	563,585	989,035
Total revenues	<u>\$ 20,720,647</u>	<u>\$ 65,431,898</u>	<u>\$ 86,152,545</u>
Expenses			
General government	\$ 2,601,241	\$ -	\$ 2,601,241
Public safety	14,405,244	-	14,405,244
Public works	2,344,161	-	2,344,161
Community development	833,291	-	833,291
Culture and recreation (also interest expense)	1,935,239	-	1,935,239
Electric	-	32,404,327	32,404,327
Gas	-	7,985,784	7,985,784
Water	-	5,736,108	5,736,108
Sewer	-	8,490,985	8,490,985
Swimming Pool	-	1,233,255	1,233,255
Sanitation	-	4,054,139	4,054,139
Parking, Traffic & Street Lights	-	1,855,729	1,855,729
Storm Sewer	-	710,232	710,232
Total expenses	<u>22,119,176</u>	<u>62,470,559</u>	<u>84,589,735</u>
Excess before transfers	(1,398,529)	2,961,339	1,562,810
Transfer of capital assets	18,720	(18,720)	-
Transfers	<u>2,231,998</u>	<u>(2,231,998)</u>	<u>-</u>
Change in net position	852,189	729,341	1,581,530
Net position - beginning	<u>27,105,608</u>	<u>155,547,654</u>	<u>182,653,262</u>
Net position - ending	<u>\$ 27,957,797</u>	<u>\$ 156,276,995</u>	<u>\$ 184,234,792</u>

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA Management's Discussion and Analysis - Unaudited

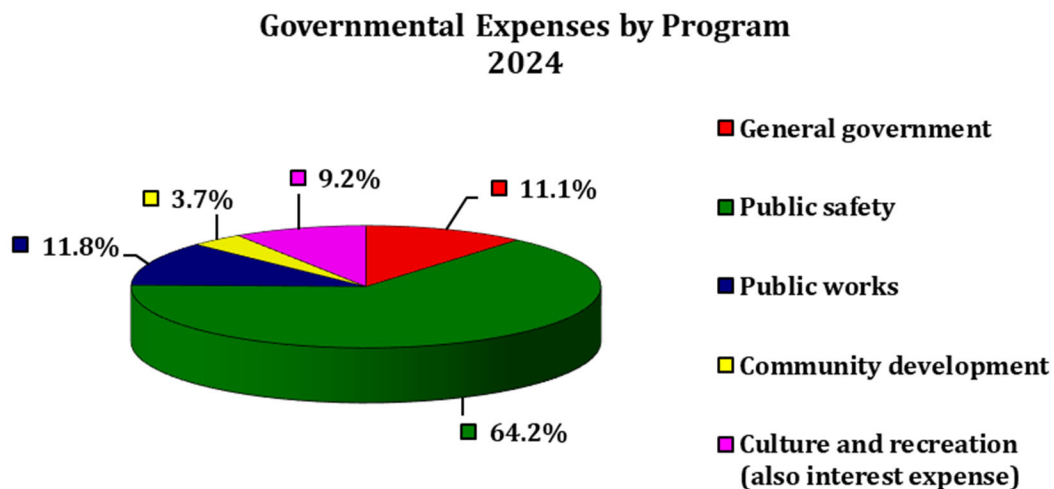
Net position increased \$ 9.65 million in 2024 for Total Activities compared to an increase of \$ 1.51 million in 2023. This is a \$ 8.15 million increase in overall performance for 2024 as compared to 2023 and is the result of an increase in total revenues of \$ 7.73 million, and a decrease in expenses of \$ 0.42 million. Of the \$ 7.73 million increase in Total Activities revenues, \$ 3.88 million resulted from an increase in revenue from charges for services, primarily as a result of utility rate increases and \$ 3.20 million was the result of receiving funds from the Redevelopment Assistance Capital Program (RACP) grant for the renovations that were done to the Chambersburg Police Department. The \$ 0.41 million decrease in Total Activities expenses is primarily driven by a reduction from the Electrical Utility of purchased energy by about \$ 1.67 million.

Transfers from Business-Type Activities to Governmental Activities contain \$ 2.77 million in operating transfers considered Payments in Lieu of Gross Receipts Tax from the Electric and Gas Departments to the General Fund. This is designed to mimic the payments that would be required of those utilities if they were subjected to a gross receipts tax.

Governmental Activities

The Borough's largest governmental activities revenue source: property taxes, increased by \$ 116,103 or 1.7%. This change was primarily the result of a 1.4% increase in total taxable assessed value. Following macro real estate market trends, real estate transfer taxes increased by \$ 133,108 or 24.7% with 492 sales in 2024 as compared to 448 sales in 2023. The Earned Income Tax increased by \$ 300,119 or 10.5% and the Local Services Tax increased by \$ 35,071 or 4.5%. These results are generally indicative of positive economic activity within the Borough in 2024.

Expenses of governmental activities break down as follows:



BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

Total governmental expenses for 2024 were \$ 21.79 million, down \$ 0.32 million or 1.5% from the \$ 22.12 million seen in 2023. General government made up 11.2% of the total governmental expenses. Public safety, which consisted primarily of police, fire, and ambulance services, comprised 64.2%. Public works expenses, which include street overlaying and repairs, were 11.8%. Community development comprised 3.7% of total expenses. Leisure time activities represented by culture and recreation expenses were 9.1% of the total.

The Statement of Activities reports expenses of each of the governmental activities' program and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be subsidized by general revenues, such as property taxes, earned income taxes, local services taxes, deed transfer taxes, and others.

The following tables and graph summarize the net cost of each program:

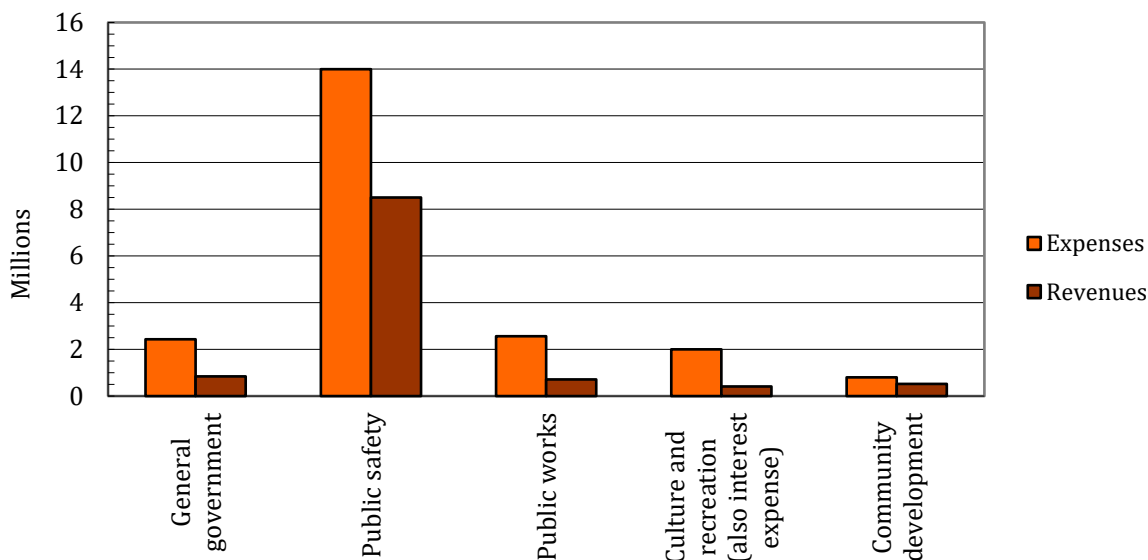
Expenses and Program Revenue - Governmental Activities
Year Ended December 31, 2024

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities					
General government	\$ 2,431,877	\$ 789,465	\$ 49,325	\$ -	\$ (1,593,087)
Public safety	13,996,901	3,919,379	1,382,430	3,200,000	(5,495,092)
Public works	2,562,015	2,240	667,467	39,000	(1,853,308)
Culture and recreation (also interest expense)	2,001,024	275,004	132,211	-	(1,593,809)
Community development	802,611	-	522,754	-	(279,857)
Total Governmental Activities	\$ 21,794,428	\$ 4,986,088	\$ 2,754,187	\$ 3,239,000	\$ (10,815,153)

Expenses and Program Revenue - Governmental Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities					
General government	\$ 2,601,241	\$ 1,074,872	\$ 301,322	\$ -	\$ (1,225,047)
Public safety	14,405,244	3,358,482	1,468,749	-	(9,578,013)
Public works	2,344,161	2,743	658,832	-	(1,682,586)
Culture and recreation (also interest expense)	1,935,239	240,333	847,545	-	(847,361)
Community development	833,291	-	502,919	-	(330,372)
Total Governmental Activities	\$ 22,119,176	\$ 4,676,430	\$ 3,779,367	\$ -	\$ (13,663,379)

Expenses and Program Revenue - Governmental Activities
2024



The above chart and graph illustrate the priority that Chambersburg places on the safety of its citizens.

Business-Type Activities

Electric Department 2024 net revenue exceeded 2023 by \$ 6.16 million due to an increase in revenues without a corresponding increase to expenses. Service revenues increased by 11.8% due primarily to a 11.3% rate increase. Electric Department expenses decreased by 7.1% due primarily to a decrease in the cost of energy purchased. The decrease in costs follow the macro trend of falling energy prices as well as the Borough’s relative ability to control costs with its diversified energy sourcing and internal power generation. From 2021 to 2023, Electric net position decreased \$ 5.38 million due to increasing costs outpacing revenue. The 2024 results recovered roughly half of that decrease.

Gas Department 2024 net revenue exceeded 2023 by \$ 221,395. Service revenues decreased by 16.4% largely associated to a 19.0% decrease in purchased energy expenses. Gas Department expenses otherwise increased 15.0% due primarily to a one-time grant funded remediation project.

Water Department 2024 net revenue exceeded 2023 by \$ 302,610 with increases in revenues outpacing increases in expenses. Service revenues increased by 8.4% due primarily to a 3 cent per unit increase. Water Department expenses increased minimally by 0.3%.

Sewer Department 2024 net revenue fell short of 2023 by \$ 1.01 million due to an increase in expenses without a corresponding increase in revenues. Service revenues increased slightly by 1.1%, primarily driven by an increase in volume. Sewer Department expenses increased by 16.2% due primarily to an increase in collection and disposal costs driven by significant repairs to under street sewer lines in anticipation of road resurfacing.

Swimming Pool 2024 net revenue exceeded 2023 by \$ 63,348. Service revenues increased by 5.3% due primarily an increase in attendance by about 6.3%. Swimming Pool expenses decreased minimally by 1.6%.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

Sanitation Department 2024 net revenue fell slightly short of 2023 by \$ 20,405 as revenues increased largely in correlation with expenses. Service revenues increased by 12.7% due to a \$ 3 per month increase, equating to roughly 12.0% for the average home. Sanitation expenses increased by 15.7% due to increases across the board, from collection and disposal operations to administration.

Parking, Traffic and Street Lights Department 2024 net revenue exceeded 2023 by \$ 232,050 as revenues outpaced expenses. Service revenues decreased by 5.7%, but were offset by a \$ 157,007 increase in grant funding. Parking, Traffic and Street Lights Department expenses decreased slightly by 4.0%.

Storm Sewer Department 2024 net revenue fell short of 2023 by \$648,738 as expenses outpaced revenues. Service revenues increased by 19.5% due primarily to the expiration of a 30% phase-in discount. Storm Sewer expenses increased by 85.1% as the department continues to ramp up its operational production, including the costs associated with the 2024 Bond issuance (see Note 7).

The following table and graph summarize the expenses and program revenues for business-type activities:

Expenses and Program Revenue - Business-Type Activities
Year Ended December 31, 2024

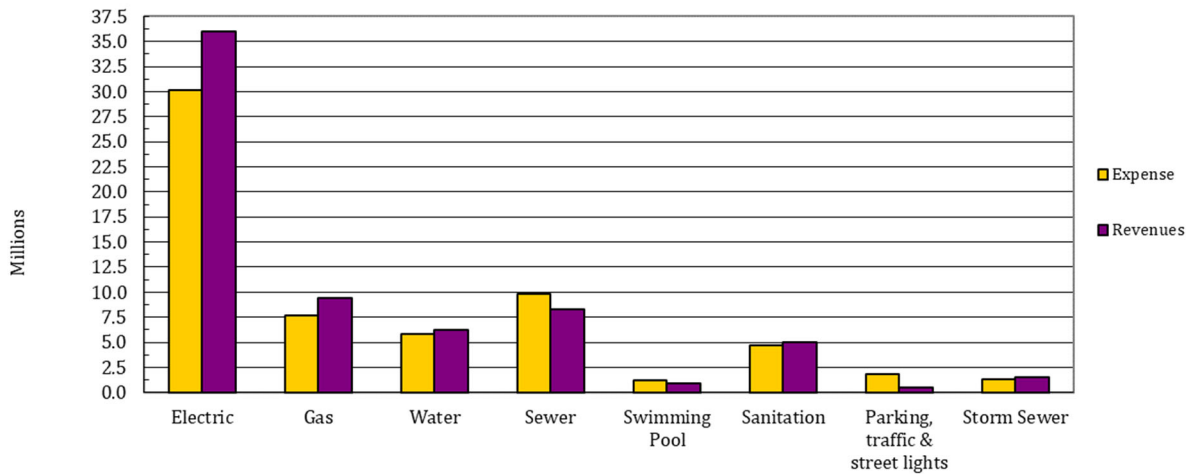
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Electric	\$ 30,097,257	\$ 35,787,919	\$ 171,039	\$ 33,008	\$ 5,894,709
Gas	7,660,636	7,742,780	1,632,879	-	1,715,023
Water	5,819,771	5,646,632	46,683	565,455	438,999
Sewer	9,864,857	7,969,122	64,050	254,667	(1,577,018)
Swimming Pool	1,213,887	875,280	868	-	(337,739)
Sanitation	4,691,347	4,900,338	97,160	-	306,151
Parking, traffic and street lights	1,782,261	258,547	24,354	166,458	(1,332,902)
Storm Sewer	1,314,850	1,336,587	150,544	-	172,281
Total business-type activities	\$ 62,444,866	\$ 64,517,205	\$ 2,187,577	\$ 1,019,588	\$ 5,279,504

Expenses and Program Revenue - Business-Type Activities
For Year Ended December 31, 2023 (Restated)

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Electric	\$ 32,404,327	\$ 32,024,627	\$ 113,269	\$ -	\$ (266,431)
Gas	7,985,784	9,256,496	77,876	145,040	1,493,628
Water	5,736,108	5,209,197	34,453	697,262	204,804
Sewer	8,490,985	7,881,107	41,671	-	(568,207)
Swimming Pool	1,233,255	831,567	601	-	(401,087)
Sanitation	4,054,139	4,346,410	34,285	-	326,556
Parking, traffic and street lights	1,855,729	274,277	7,049	9,451	(1,564,952)
Storm Sewer	710,232	1,118,239	413,012	-	821,019
Total business-type activities	\$ 62,470,559	\$ 60,941,920	\$ 722,216	\$ 851,753	\$ 45,330

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

**Expenses and Program Revenue - Business-Type Activities
 2024**



Individual Funds Summary and Analysis

Governmental funds focus on spendable resources and near-term inflows and outflows of those resources. As such, fund balance is generally a good indicator of net resources available for spending at the end of the fiscal year, subject to any stated restrictions on its use.

The combined fund balances of the Borough’s governmental funds as of December 31, 2024 were \$ 13.85 million, as compared to \$ 9.44 million as of December 31, 2023. The General Fund is the primary operating fund of the Borough of Chambersburg, accounting for such activities as police and fire protection, ambulance services, highways, parks and recreation, and general governmental services. The General fund balance grew from 2023 to 2024 with an increase from \$ 2.29 million to \$ 3.38 million, respectively.

Budget Variations

The General Fund 2024 budget was balanced with revenues equaling expenditures. Operations for the Borough’s General Fund resulted in an overall positive net change in fund balance of \$ 1.09 million for the year ended December 31, 2024. Actual expenditures exceeded total revenues by \$ 1.94 million with an offset from net inter-fund transfers of \$ 3.03 million.

The 2024 revenue budget variance was favorable \$ 829,829 or 5.2%. There were two primary drivers: 1) by Earned Income Tax exceeded budget roughly \$ 300 thousand and 2) Ambulance Service Revenue exceeded budget roughly \$ 300 thousand due to the Commonwealth of Pennsylvania increasing basic life support, emergency transport Medicaid reimbursement by 72.9%.

The 2024 expenditures budget variance was favorable \$ 1.06 million or 5.4% driven largely by a less than budgeted allocation of Administrative Services costs. Conversely, there was an unbudgeted Council approved transfer of \$ 0.80 million to the General Capital Reserve Fund.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA

Management's Discussion and Analysis - Unaudited

Changes in Revenue and Expenditure Levels

General Fund 2024 net change in fund balance (*ncfb*) exceeded 2023 by \$ 1.18 million. In 2024, the Borough finished the year with a positive *ncfb* of \$1.09 million compared to a negative *ncfb* of \$ 84,595 for 2023. Excess (deficiency) of revenues over expenditures improved slightly in 2024 with the bulk of the *ncfb* driven by changes in transfers between funds. Council again chose to transfer part of the unbudgeted surplus out into the General Capital Reserve Fund. For 2024 this was done in the amount of \$ 0.80 million, similar to the \$ 1.00 million transfer made in 2023.

In the absence of transfers to and from other departments, the General Fund would have ended 2024 with a negative *ncfb* of \$ 1.94 million which compares to a negative *ncfb* of \$ 1.98 million in 2023.

Changes in Fund Balance

The fund balance in the General Fund increased by \$ 1.09 million in 2024. Total expenditures of \$ 18.70 million exceeded total revenues of \$ 16.75 million by \$ 1.94 million, while net Other Financing Sources of \$ 3.03 million mitigated the negative change, resulting in a net increase in fund balance for the General Fund.

The combined fund balance of Other Governmental Funds increased \$ 3.31 million in 2024 due primarily to a \$ 3.20 million reimbursement grant related to the renovation and addition to the Chambersburg Police Department, that was placed into service late in 2023, for which the grant was not fully secured until 2024.

The 2024 change in net position for the Enterprise Funds increased by of \$ 3.00 million as compared to a decrease of \$ 1.32 million in 2023. Enterprise Funds operating revenues increased by \$ 3.97 million or 6.65%. Operating expenses also decreased by \$ 1.25 million or 2.01%.

The change in net position of the Electric Department was an increase of \$ 2.83 million or 7.7%. From 2021 to 2023, Electric net position decreased \$ 5.38 million due to increasing costs outpacing revenue. The 2024 results recovered roughly half of that decrease. The change in net position for the Gas Department was an increase of \$ 683,165 or 3.5%. With purchased energy expenses continuing to decrease from 2023, revenue followed suit due to the largely pass-through nature of the gas charges. The change in net position of the Water Department was an increase of \$ 474,892 or 2.3%. While 2024 favorability was driven entirely by nonoperating activities, 2024 continued a trend of decreasing losses in operating income as Council has continued with rate increases. The change in net position for the Sewer Department was a decrease of \$ 1.57 million or 3.3%, a substantial decrease from 2023 due primarily to an increase in collection and disposal costs driven by significant repairs to under street sewer lines in anticipation of road resurfacing. The change in net position of the Swimming Pool was an increase of \$ 157,746 or 28.6% as the relatively new fund continues to minimally grow in net position. The change in net position for the Sanitation Department increased \$ 243,073 or 15.7% due to recent rate increases in anticipation of continued rising costs. The change in net position of the Storm Sewer Department was an increase of \$ 326,743 or 4.6% with the expiration of a 30% phase-in discount. The Other Enterprise Funds, consisting of Parking, Traffic and Street Lights, saw change in net position decrease \$ 144,205 or 2.2%, an improvement from 2023.

The change in net position of the Internal Service Funds was an increase of \$ 2.39 million or 10.6%, compared to an increase of \$ 2.80 million or 14.0% in 2023. Year-over-year, operating revenues decreased by \$ 104,395 or 0.7%, while operating expenses increased \$ 940,318 million or 6.9%. Current year incoming transfers exceeded outgoing transfers by \$ 1.26 million. Positive change in net position continues to be driven primarily by Motor Equipment as vehicle rentals include building towards anticipated replacement equity.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA
Management's Discussion and Analysis - Unaudited

Capital Asset and Debt Administration

Capital Asset Activity

In 2024, Chambersburg Borough continued its ambitious multi-year plan to provide its residents, businesses, patrons, and visitors with top-notch infrastructure accommodations, via significant upgrades, by utilizing accumulated reserves in utility funds and special accounts, and financing partnerships with state and federal agencies.

The primary driver of Government activities capital asset activity was generated by the Highway Department. The Borough continued its street improvement projects with the Engineering Department administering construction contracts for various street projects, including Full Depth Reclamation and/or Mill and Overlay for portions of Hollywell Avenue, West Queen Street, Fifth Avenue, Fourth Street, Laurel Avenue, Clinton Avenue, Edgelea Drive, Weaver Avenue, Mentzer Avenue, Candlestick Court, Monticelle Court, Conner Avenue, Lincoln Road, Eisenhower Drive, Roosevelt Arms Court, Clover Circle, Riddle Alley, Chopin Court, Harrison Avenue, East Ludwig Avenue, Girard Court, Virgo Court, and permanent restoration of utility-related surface openings on Borough Streets and State Routes.

Capital asset activity in 2024 for Enterprise Funds was driven largely by the Sanitation Department with a significant acquisition of land, the Gas Department with a grant funded project currently in progress and the Water Department with a completed grant funded project placed into service.

The public works facility currently operates out of a structurally deficient aging facility that is located in a floodplain within the Borough. As such, Borough Manager, Council and staff have taken proactive steps throughout the years to find a more suitable location for a new Public Works Campus. In 2023, Council approved the design of such a campus surrounding 366 Wayne Ave, utilizing property the Borough had acquired for various reasons since 2019. A portion of the 2024 bonds and note were utilized by the Sanitation Department to acquire surrounding land for campus development. Starting in 2024, demolition began at the proposed site for the new campus with construction planned to start in 2025 and continue into 2026. This new location is expected to house the Sanitation, Motor Equipment and Highway departments as well as provide vehicle and material storage for the Water and Sewer departments. While the Sanitation Department provided the initial funding, Council approved the creation of a new Internal Service Fund, designed the Public Works Campus Fund, to house and allocate out the costs to operating the shared campus effective January 1, 2025.

Since 2000 the Gas Department has replaced 21 of 26 miles of cast iron pipes. With the assistance a U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration Natural Gas Distribution Safety and Modernization Grant, the Gas Department continued its work towards replacing the last remaining five miles of cast iron pipes. The Department was awarded \$ 5,227,953 in 2023 for Phase I with an additional \$ 5,564,097 awarded in 2024 for Phase II. Phase III was not awarded. Phase I began in earnest in 2024, contributing the bulk of the Enterprise Funds increase in construction in progress

With the assistance of a U.S. Environmental Protection Agency passed through the PA Infrastructure Investment Authority, the Water Department concluded the grant funded project in 2024 to replace lead goosenecks throughout the Borough. Lead goosenecks are typically an 18" long section of lead pipe installed between the main and the copper service line. They were typically used prior to 1970. By the conclusion of the project, 1,968 lead goosenecks were removed from water service lines.

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA

Management's Discussion and Analysis - Unaudited

In 2023, design work resumed on the East Conococheague Pump Station and was expanded in late 2023 to include the replacement of the Laurich Meadows Pump Station. Both stations, very similar in design, will replace aging infrastructure and provide reliability and capacity for future growth in the areas. Both stations will also move infrastructure away from stream bank locations that can lead to maintenance issues. The designs were completed in 2024 with construction scheduled to begin in 2025.

The Borough issued General Obligation Bonds in 2024 with the primary purpose for major Storm Sewer projects. Designs are underway with the Council approved project list including storm sewer system improvements to North Fourth Street, Southgate, South Fifth Street, South Franklin Street, the Conococheague Creek Floodplain, Industrial Drive and a few smaller projects as related to street resurfacing.

Additional detail on the capital asset activity for the year ended December 31, 2024 is presented in the Notes to the Basic Financial Statements in Note 5.

Debt

A summary of outstanding debt at December 31, 2024 and 2023, respectively, is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
General Obligation Bonds, Notes, Lease, Subscription Payables		
Governmental activities	\$ 10,238,251	\$ 10,266,585
Business-type activities	<u>49,408,569</u>	<u>40,373,068</u>
Total outstanding debt	<u>\$ 59,646,820</u>	<u>\$ 50,639,653</u>

Additional detailed data for all debt of the Borough of Chambersburg is presented in the Notes to the Basic Financial Statements in Note 7.

Restatements

During the year ended December 31, 2024, the Borough implemented GASB No. 100 – *Accounting Changes and Error Corrections* and GASB No. 101 – *Compensated Absences*, which resulted in changes to the presentation of the Borough's financial statements. The 2023 Management's Discussion and Analysis information is not consistent with the current year financial reporting that is presented on the face of the statements due to the implementation of GASB No. 101. See additional details related to the restatement in the Notes to the Basic Financial Statements in Note 17.

Additionally, the Borough had an error correction related to the recording of accounts receivable in the prior year that is required to be disclosed under the new reporting guidance of GASB No. 100. Accounts receivable/receivables, net was understated by \$ 68,415 in the Water Fund and Business-Type Activities during the year ended December 31, 2023. Other non-operating expenses in the Water fund and Water expenses in the Business Type activities were overstated by \$ 68,415 for the year ended December 31, 2023. The information presented in the tables included within the management discussion and analysis has been restated to reflect the correction of the error. See additional details related to the restatement in the Notes to the Basic Financial Statements in Note 17.

Contacting the Borough's Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the Borough's finances. If you have questions or need additional financial information, please contact the Director of Finance, Borough of Chambersburg, 100 South Second Street, Chambersburg, PA 17201.

BOROUGH OF CHAMBERSBURG
Statement of Net Position
December 31, 2024

	Primary Government			Discretely Presented
	Governmental Activities	Business-Type Activities	Total	Component Unit Chambersburg Area Municipal Authority
ASSETS				
Current assets				
Cash and equity in pooled cash and investments	\$ 16,181,929	\$ 59,094,051	\$ 75,275,980	\$ 53,452
Receivables, net	6,347,230	7,601,438	13,948,668	-
Inventories	504,234	3,045,489	3,549,723	-
Prepaid expenses	661	138,300	138,961	-
Total current assets	<u>23,034,054</u>	<u>69,879,278</u>	<u>92,913,332</u>	<u>53,452</u>
Noncurrent assets				
Noncurrent receivables	1,213,243	1,286,294	2,499,537	-
Capital assets not being depreciated				
Land	728,242	5,674,913	6,403,155	2,756,708
Construction in progress	1,270,468	7,519,222	8,789,690	-
Capital assets net of accumulated depreciation/amortization				
Utility plant in service	-	110,439,705	110,439,705	-
Land improvements	1,250,311	10,087,699	11,338,010	72,608
Buildings and improvements	11,845,856	11,257,731	23,103,587	504,276
Machinery, equipment and furniture	3,280,796	5,952,646	9,233,442	-
Infrastructure	16,510,439	-	16,510,439	-
Right-to-use asset - land	-	4,362,447	4,362,447	-
Right-to-use asset - equipment	21,298	-	21,298	-
Right-to-use asset - IT subscriptions	29,394	63,155	92,549	-
Total noncurrent assets	<u>36,150,047</u>	<u>156,643,812</u>	<u>192,793,859</u>	<u>3,333,592</u>
Total assets	<u>59,184,101</u>	<u>226,523,090</u>	<u>285,707,191</u>	<u>3,387,044</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	1,892,710	1,019,976	2,912,686	-
Total deferred outflows of resources	<u>1,892,710</u>	<u>1,019,976</u>	<u>2,912,686</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 61,076,811</u>	<u>\$ 227,543,066</u>	<u>\$ 288,619,877</u>	<u>\$ 3,387,044</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	562,096	3,820,974	\$ 4,383,070	\$ -
Unearned revenues	760,223	25,325	785,548	-
Customer deposits	-	2,147,765	2,147,765	-
Long-term liabilities: Due within one year				
Bonds, notes, leases and IT subscription payable	401,744	1,906,273	2,308,017	-
Compensated absences	628,939	801,708	1,430,647	-
Liability for self-insured losses	104,133	252,977	357,110	-
OBEP liability - current	15,657	17,980	33,637	-
Total current liabilities	<u>2,472,792</u>	<u>8,973,002</u>	<u>11,445,794</u>	<u>-</u>
Noncurrent liabilities				
Long-term liabilities: Due in more than one year				
Bonds, notes, leases and IT subscription payable	9,836,507	47,502,296	57,338,803	-
Compensated absences	541,608	611,528	1,153,136	-
Net pension liability	9,420,021	6,146,567	15,566,588	-
OPEB liability	1,583,129	203,656	1,786,785	-
Liability for self-insured losses	2,575	6,257	8,832	-
Total noncurrent liabilities	<u>21,383,840</u>	<u>54,470,304</u>	<u>75,854,144</u>	<u>-</u>
Total liabilities	<u>23,856,632</u>	<u>63,443,306</u>	<u>87,299,938</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources	3,563,187	4,349,837	7,913,024	-
Total deferred inflows of resources	<u>3,563,187</u>	<u>4,349,837</u>	<u>7,913,024</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	24,827,443	113,081,399	137,908,842	3,333,592
Restricted for future capital projects	9,981,116	-	9,981,116	-
Restricted for specific future expenditures	853,022	-	853,022	-
Unrestricted	<u>(2,004,589)</u>	<u>46,668,524</u>	<u>44,663,935</u>	<u>53,452</u>
Total net position	<u>33,656,992</u>	<u>159,749,923</u>	<u>193,406,915</u>	<u>3,387,044</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 61,076,811</u>	<u>\$ 227,543,066</u>	<u>\$ 288,619,877</u>	<u>\$ 3,387,044</u>

BOROUGH OF CHAMBERSBURG
Statement of Activities
Year Ended December 31, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Discretely Presented Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Chambersburg Area Municipal Authority
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 2,431,877	\$ 789,465	\$ 49,325	\$ -	\$ (1,593,087)	\$ -	\$ (1,593,087)	\$ -
Public safety	13,996,901	3,919,379	1,382,430	3,200,000	(5,495,092)	-	(5,495,092)	-
Public works	2,562,015	2,240	667,467	39,000	(1,853,308)	-	(1,853,308)	-
Culture and recreation	1,798,527	275,004	132,211	-	(1,391,312)	-	(1,391,312)	-
Community development	802,611	-	522,754	-	(279,857)	-	(279,857)	-
Interest expense and debt issuance costs	202,497	-	-	-	(202,497)	-	(202,497)	-
Total governmental activities	<u>21,794,428</u>	<u>4,986,088</u>	<u>2,754,187</u>	<u>3,239,000</u>	<u>(10,815,153)</u>	<u>-</u>	<u>(10,815,153)</u>	<u>-</u>
Business-type activities								
Electric	30,097,257	35,787,919	171,039	33,008	-	5,894,709	5,894,709	-
Gas	7,660,636	7,742,780	1,632,879	-	-	1,715,023	1,715,023	-
Water	5,819,771	5,646,632	46,683	565,455	-	438,999	438,999	-
Sewer	9,864,857	7,969,122	64,050	254,667	-	(1,577,018)	(1,577,018)	-
Swimming pool	1,213,887	875,280	868	-	-	(337,739)	(337,739)	-
Sanitation	4,691,347	4,900,338	97,160	-	-	306,151	306,151	-
Parking, traffic and street lights	1,782,261	258,547	24,354	166,458	-	(1,332,902)	(1,332,902)	-
Storm sewer	1,314,850	1,336,587	150,544	-	-	172,281	172,281	-
Total business-type activities	<u>62,444,866</u>	<u>64,517,205</u>	<u>2,187,577</u>	<u>1,019,588</u>	<u>-</u>	<u>5,279,504</u>	<u>5,279,504</u>	<u>-</u>
Total primary government	<u>\$ 84,239,294</u>	<u>\$ 69,503,293</u>	<u>\$ 4,941,764</u>	<u>\$ 4,258,588</u>	<u>\$ (10,815,153)</u>	<u>\$ 5,279,504</u>	<u>\$ (5,535,649)</u>	<u>\$ -</u>
DISCRETELY PRESENTED COMPONENT UNIT								
Chambersburg Area Municipal Authority	\$ 213,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (213,186)
General revenues and transfers:								
Taxes:								
Property taxes, levied for general purposes					\$ 5,335,576	\$ -	\$ 5,335,576	\$ -
Property taxes, levied for specific purposes					1,600,945	-	1,600,945	-
Real estate transfer tax					672,512	-	672,512	-
Earned income tax					3,170,150	-	3,170,150	-
Local services tax					809,186	-	809,186	-
Payments in lieu of taxes					106,632	-	106,632	-
Unrestricted investment earnings					801,702	2,510,787	3,312,489	6
Miscellaneous income					67,170	107,303	174,473	-
Transfers					4,194,990	(4,194,990)	-	-
Total general revenues and transfers					<u>16,758,863</u>	<u>(1,576,900)</u>	<u>15,181,963</u>	<u>6</u>
Change in net position					5,943,710	3,702,604	9,646,314	(213,180)
Net position - beginning, as previously reported					27,957,797	156,208,580	184,166,377	3,600,224
Restatements					(244,515)	(161,261)	(405,776)	-
Net position - beginning, as restated					<u>27,713,282</u>	<u>156,047,319</u>	<u>183,760,601</u>	<u>3,600,224</u>
Net position - ending					<u>\$ 33,656,992</u>	<u>\$ 159,749,923</u>	<u>\$ 193,406,915</u>	<u>\$ 3,387,044</u>

BOROUGH OF CHAMBERSBURG
Balance Sheet - Governmental Funds
December 31, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and equity in pooled cash and investments	\$ 2,872,829	\$ 7,336,899	\$ 10,209,728
Due from other funds	216,635	-	216,635
Taxes receivable, net	278,831	82,765	361,596
Receivable from other governments	1,240,734	3,635,885	4,876,619
Other receivables, net	1,909,948	290,819	2,200,767
Total assets	<u>\$ 6,518,977</u>	<u>\$ 11,346,368</u>	<u>\$ 17,865,345</u>
LIABILITIES			
Accounts payable	\$ 684,623	\$ 9,859	\$ 694,482
Due to other funds	-	216,635	216,635
Due to other governments	41,520	-	41,520
Other payables	74,162	-	74,162
Unearned revenue	82,724	92,285	175,009
Accrued wages, benefits and withholdings	191,589	-	191,589
Total liabilities	<u>1,074,618</u>	<u>318,779</u>	<u>1,393,397</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	<u>2,059,715</u>	<u>561,755</u>	<u>2,621,470</u>
Total deferred inflows of resources	<u>2,059,715</u>	<u>561,755</u>	<u>2,621,470</u>
FUND BALANCES			
Restricted	-	10,680,398	10,680,398
Unassigned	<u>3,384,644</u>	<u>(214,564)</u>	<u>3,170,080</u>
Total fund balances	<u>3,384,644</u>	<u>10,465,834</u>	<u>13,850,478</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,518,977</u>	<u>\$ 11,346,368</u>	<u>\$ 17,865,345</u>

BOROUGH OF CHAMBERSBURG
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total fund balance - governmental funds \$ 13,850,478

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of assets	57,352,743	
Accumulated depreciation/amortization	<u>(26,911,425)</u>	
		30,441,318

Tax and grant receivables will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are not recorded in the fund financial statement. 1,447,254

Long-term liabilities are not due and payable in the current period and are not included in the fund balance sheet, but are included in the governmental activities of the Statement of Net Position. Long-term liabilities and related deferred inflows and outflows of resources consist of:

Bonds payable, net of premium	(7,950,492)	
Deferred charge on bond refunding	(18,049)	
Accrued interest	(67,451)	
Compensated absences	(975,726)	
Net pension liability	(8,572,121)	
Deferred outflows related to pension liability	1,494,305	
Deferred inflows related to pension liability	(484,376)	
OPEB liability	(1,568,339)	
Deferred outflows related to OPEB liability	247,693	
Deferred inflows related to OPEB liability	(1,471,042)	
Lease obligations	(13,336)	
IT subscriptions	<u>(3,890)</u>	
		(19,382,824)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, motor equipment, engineering, administrative, and others, to individual funds. A portion of these assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the governmental activities and are allocated based on the usage of those funds by the governmental funds. 7,300,766

Total net position - governmental activities **\$ 33,656,992**

BOROUGH OF CHAMBERSBURG
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds
Year Ended December 31, 2024

	General Fund	(Formerly Major) Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 9,876,635	\$ -	\$ 1,676,770	\$ 11,553,405
Licenses and permits	450,778	-	-	450,778
Fines and forfeits	121,781	-	-	121,781
Interest earnings and unrealized investment gains	323,139	-	242,114	565,253
Intergovernmental	1,507,363	-	3,831,401	5,338,764
Charges for services	4,234,915	-	-	4,234,915
Miscellaneous	239,978	-	139,928	379,906
Total revenues	<u>16,754,589</u>	<u>-</u>	<u>5,890,213</u>	<u>22,644,802</u>
EXPENDITURES				
General government	2,469,764	-	19,029	2,488,793
Public safety		-		
Police department	6,275,529	-	227,847	6,503,376
Emergency services	5,804,258	-	31,952	5,836,210
Planning and zoning	890,383	-	-	890,383
Public works				
Highways	1,483,301	-	974,742	2,458,043
Culture and recreation	1,460,225	-	356,047	1,816,272
Community development	311,557	-	217,910	529,467
Debt service	-	-	482,276	482,276
Miscellaneous	-	-	68,602	68,602
Total expenditures	<u>18,695,017</u>	<u>-</u>	<u>2,378,405</u>	<u>21,073,422</u>
Excess (deficiency) of revenues over expenditures	<u>(1,940,428)</u>	<u>-</u>	<u>3,511,808</u>	<u>1,571,380</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,864,351	-	1,612,042	5,476,393
Transfers out	(831,965)	-	(1,809,930)	(2,641,895)
Total other financing sources and uses	<u>3,032,386</u>	<u>-</u>	<u>(197,888)</u>	<u>2,834,498</u>
Net change in fund balances	1,091,958	-	3,313,920	4,405,878
Fund balances - as previously reported	2,292,686	5,750,401	1,401,513	9,444,600
Adjustment - change from major fund to nonmajor fund	-	(5,750,401)	5,750,401	-
Fund balances, December 31, 2023, as adjusted	<u>2,292,686</u>	<u>-</u>	<u>7,151,914</u>	<u>9,444,600</u>
Fund balances - December 31, 2024	<u>\$ 3,384,644</u>	<u>\$ -</u>	<u>\$ 10,465,834</u>	<u>\$ 13,850,478</u>

BOROUGH OF CHAMBERSBURG
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2024

Net change in fund balances - total governmental funds: \$ 4,405,878

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization expense differs from capital outlays in the period.

Depreciation/amortization expense	(1,976,541)	
Capital outlays	<u>1,299,326</u>	(677,215)

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase other financing sources. Thus, the change in net position differs from the changes in the fund balance by the depreciated cost of the capital assets sold. (3,283)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 664,384

The repayment of principal of long term obligations consumes the current financial resources of governmental funds. Also, governmental funds report prepaid bond insurance, bond premiums, and other similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Activity for IT subscription liabilities	150	
Activity for lease liabilities	11,327	
Repayment of long-term obligations	263,296	
Amortization of bond premium and other costs	<u>18,718</u>	293,491

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. This is the difference between the amount incurred and the amount paid of:

OPEB liability and related deferred outflows and inflows	(30,629)	
Net pension liability and related deferred outflows and inflows	(459,960)	
Compensated absences	<u>58,758</u>	(431,831)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,692,286

Change in net position - governmental activities **\$ 5,943,710**

BOROUGH OF CHAMBERSBURG
Statement of Net Position - Proprietary Funds
December 31, 2024

	Enterprise Funds								Total	Internal Service Funds
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund	Other Enterprise Funds		
ASSETS										
Current assets										
Cash and equity in pooled cash and investments	\$ 9,417,907	\$ 2,930,183	\$ 7,636,765	\$ 11,792,329	\$ 827,168	\$ 1,491,038	\$ 8,977,956	\$ 1,512,106	\$ 44,585,452	\$ 20,480,800
Accounts receivable, net	3,223,844	1,109,614	484,040	1,303,348	2,173	246,019	55,603	72,821	6,497,462	14,933
Receivables from other governments	-	556,863	-	-	-	-	7,286	46,801	610,950	-
Lease receivables - current	68,440	-	-	-	-	-	-	-	68,440	-
Other receivables	20,643	5,311	20,814	39,854	-	11,267	17,011	507,157	622,057	401,704
Inventories	1,274,033	376,659	71,464	98,370	-	-	-	-	1,820,526	1,729,197
Prepaid expenses	58,871	872	10,642	38,664	-	5,835	-	-	114,884	2,267
Total current assets	<u>14,063,738</u>	<u>4,979,502</u>	<u>8,223,725</u>	<u>13,272,565</u>	<u>829,341</u>	<u>1,754,159</u>	<u>9,057,856</u>	<u>2,138,885</u>	<u>54,319,771</u>	<u>22,628,901</u>
Noncurrent assets										
Capital assets not being depreciated:										
Land	464,369	37,716	384,488	205,531	-	4,041,684	-	531,219	5,665,007	13,984
Construction in progress	1,100,060	2,547,146	661,130	498,688	-	916,083	1,198,236	131,879	7,053,222	657,821
Capital assets being depreciated:										
Buildings and system	3,291,800	326,838	325,347	554,483	-	1,887,897	-	-	6,386,365	10,143,448
Improvements other than buildings	81,350	2,860	420,482	14,150	8,557,225	1,277,662	4,047,136	563,894	14,964,759	24,356
Machinery and equipment	1,165,388	605,195	656,164	833,238	-	1,034,835	-	420,979	4,715,799	14,525,488
Utility plant in service	86,373,795	21,789,345	29,398,154	90,459,712	-	770	1,992,513	7,370,459	237,384,748	-
Right-to-use asset - land	4,788,521	-	-	-	-	-	-	-	4,788,521	-
Right-to-use asset - IT subscriptions	2,146	2,146	2,146	2,146	-	-	-	-	8,584	138,800
Less accumulated depreciation and amortization	(52,135,578)	(7,918,234)	(11,261,551)	(55,233,344)	(1,923,856)	(1,933,719)	(2,054,536)	(4,069,803)	(136,530,621)	(10,087,276)
Total capital assets	<u>45,131,851</u>	<u>17,393,012</u>	<u>20,586,360</u>	<u>37,334,604</u>	<u>6,633,369</u>	<u>7,225,212</u>	<u>5,183,349</u>	<u>4,948,627</u>	<u>144,436,384</u>	<u>15,416,621</u>
Lease receivables	794,730	-	-	-	-	-	-	-	794,730	-
Total noncurrent assets	<u>45,926,581</u>	<u>17,393,012</u>	<u>20,586,360</u>	<u>37,334,604</u>	<u>6,633,369</u>	<u>7,225,212</u>	<u>5,183,349</u>	<u>4,948,627</u>	<u>145,231,114</u>	<u>15,416,621</u>
Total assets	<u>59,990,319</u>	<u>22,372,514</u>	<u>28,810,085</u>	<u>50,607,169</u>	<u>7,462,710</u>	<u>8,979,371</u>	<u>14,241,205</u>	<u>7,087,512</u>	<u>199,550,885</u>	<u>38,045,522</u>
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows of resources	208,315	90,715	94,677	108,042	20,603	49,063	23,466	58,961	653,842	516,846
Total deferred outflows of resources	<u>208,315</u>	<u>90,715</u>	<u>94,677</u>	<u>108,042</u>	<u>20,603</u>	<u>49,063</u>	<u>23,466</u>	<u>58,961</u>	<u>653,842</u>	<u>516,846</u>
Total assets and deferred outflows of resources	<u>\$ 60,198,634</u>	<u>\$ 22,463,229</u>	<u>\$ 28,904,762</u>	<u>\$ 50,715,211</u>	<u>\$ 7,483,313</u>	<u>\$ 9,028,434</u>	<u>\$ 14,264,671</u>	<u>\$ 7,146,473</u>	<u>\$ 200,204,727</u>	<u>\$ 38,562,368</u>
LIABILITIES										
Current liabilities										
Accounts payable and accrued expenses	\$ 2,045,421	\$ 740,855	\$ 115,400	\$ 194,887	\$ 26,642	\$ 207,072	268,910	\$ 18,312	\$ 3,617,499	\$ 288,718
Unearned revenue	4,466	20,859	-	-	-	-	-	-	25,325	-
Customer deposits	1,224,225	687,285	107,389	128,866	-	-	-	-	2,147,765	-
Compensated absences - current	181,637	63,360	90,245	96,466	5,657	50,888	11,529	24,198	523,980	392,050
Liability for self insured losses - current	-	-	-	-	-	-	-	-	-	357,110
Bonds, IT subscription, notes, leases payable - current	585,556	-	308,779	291,519	318,810	129,500	14,262	-	1,648,426	363,985
OPEB liability - current	4,283	1,915	1,793	2,178	133	843	231	604	11,980	8,471
Total current liabilities	<u>4,045,588</u>	<u>1,514,274</u>	<u>623,606</u>	<u>713,916</u>	<u>351,242</u>	<u>388,303</u>	<u>294,932</u>	<u>43,114</u>	<u>7,974,975</u>	<u>1,410,334</u>
Noncurrent liabilities										
Compensated absences	182,559	35,129	78,062	74,479	379	20,570	3,898	20,891	415,967	276,060
Liability for self insured losses	-	-	-	-	-	-	-	-	-	8,832
Net pension liability	1,407,672	612,199	642,231	730,788	30,032	334,207	112,429	217,157	4,086,715	2,907,752
OPEB liability	48,508	21,693	20,310	24,664	1,512	9,554	2,612	6,838	135,691	95,941
Bonds, IT subscription, notes, leases payable	13,497,584	-	6,181,736	3,536,687	6,321,157	6,316,902	6,368,334	-	42,222,400	7,422,481
Total noncurrent liabilities	<u>15,136,323</u>	<u>669,021</u>	<u>6,922,339</u>	<u>4,366,618</u>	<u>6,353,080</u>	<u>6,681,233</u>	<u>6,487,273</u>	<u>244,886</u>	<u>46,860,773</u>	<u>10,711,066</u>
Total liabilities	<u>19,181,911</u>	<u>2,183,295</u>	<u>7,545,945</u>	<u>5,080,534</u>	<u>6,704,322</u>	<u>7,069,536</u>	<u>6,782,205</u>	<u>288,000</u>	<u>54,835,748</u>	<u>12,121,400</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows of resources	1,489,511	313,599	325,568	370,422	69,114	166,819	46,788	573,390	3,355,211	1,404,046
Total deferred inflows of resources	<u>1,489,511</u>	<u>313,599</u>	<u>325,568</u>	<u>370,422</u>	<u>69,114</u>	<u>166,819</u>	<u>46,788</u>	<u>573,390</u>	<u>3,355,211</u>	<u>1,404,046</u>
NET POSITION										
Net investment in capital assets	31,444,913	17,372,634	14,092,449	33,448,647	(58,645)	2,747,694	3,680,707	4,947,799	107,676,198	7,676,476
Unrestricted	8,082,299	2,593,701	6,940,800	11,815,608	768,522	(955,615)	3,754,971	1,337,284	34,337,570	17,360,446
Total net position	<u>39,527,212</u>	<u>19,966,335</u>	<u>21,033,249</u>	<u>45,264,255</u>	<u>709,877</u>	<u>1,792,079</u>	<u>7,435,678</u>	<u>6,285,083</u>	<u>142,013,768</u>	<u>25,036,922</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 60,198,634</u>	<u>\$ 22,463,229</u>	<u>\$ 28,904,762</u>	<u>\$ 50,715,211</u>	<u>\$ 7,483,313</u>	<u>\$ 9,028,434</u>	<u>\$ 14,264,671</u>	<u>\$ 7,146,473</u>	<u>\$ 200,204,727</u>	<u>\$ 38,562,368</u>

Some amounts reported for business-type activities in the statement of net position are different because certain internal service funds' assets and liabilities are included with business-type activities. 17,736,155

Net position of business-type activities \$ 159,749,923

BOROUGH OF CHAMBERSBURG
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds									
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund	Other Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES										
Charges for services	\$ 34,387,651	\$ 7,681,886	\$ 5,120,817	\$ 7,634,693	\$ 875,277	\$ 4,821,816	\$ 1,326,780	\$ 120,552	\$ 61,969,472	\$ 13,913,955
Miscellaneous	1,209,578	60,486	95,411	123,623	3,662	71,085	5,076	137,995	1,706,916	42,644
Total operating revenues	35,597,229	7,742,372	5,216,228	7,758,316	878,939	4,892,901	1,331,856	258,547	63,676,388	13,956,599
OPERATING EXPENSES										
Production, gathering, treatment and transmission	5,015,448	1,604,168	2,749,177	3,843,548	-	-	-	-	13,212,341	-
Operation and maintenance	-	-	-	-	877,492	-	-	1,069,077	1,946,569	9,972,264
Collection and disposal	-	-	-	2,103,872	-	3,600,431	310,188	-	6,014,491	-
Purchase of energy for sale	18,892,477	3,841,858	-	-	-	-	-	-	22,734,335	-
Customer accounting and administrative	3,313,091	1,733,350	1,567,988	1,538,457	-	470,167	502,721	215,496	9,341,270	1,612,951
Claim payments and special services	-	-	-	-	-	-	-	-	-	1,675,620
Increase (decrease) in expected unpaid losses	-	-	-	-	-	-	-	-	-	(6)
Depreciation and amortization	2,489,730	485,828	1,293,510	2,342,523	197,996	292,432	120,469	502,841	7,725,329	1,405,181
Total operating expenses	29,710,746	7,665,204	5,610,675	9,828,400	1,075,488	4,363,030	933,378	1,787,414	60,974,335	14,666,010
Operating income (loss)	5,886,483	77,168	(394,447)	(2,070,084)	(196,549)	529,871	398,478	(1,528,867)	2,702,053	(709,411)
NONOPERATING REVENUES (EXPENSES)										
Connection fees	-	-	395,642	208,717	-	-	-	-	604,359	-
Interest earnings and unrealized investment gains (losses)	284,975	166,297	291,022	505,082	37,932	119,018	459,732	72,311	1,936,369	810,867
Gain (loss) on sale of assets	-	-	-	-	-	10,199	-	-	10,199	93,957
Reimbursement of prior year expense	-	-	-	-	-	-	-	-	-	842,981
Other nonoperating expenses	(32,477)	(32,477)	-	-	-	-	-	-	(64,954)	-
Other nonoperating revenues	205,799	1,608	48,619	33,606	11,355	-	5,334	22,359	328,680	6,891
Intergovernmental revenues	171,039	1,632,879	46,683	64,050	868	97,160	150,544	24,354	2,187,577	256,233
Interest expense and debt issuance costs	(434,119)	(20)	(243,377)	(70,066)	(140,670)	(356,740)	(387,330)	-	(1,632,322)	(163,678)
Total nonoperating revenues (expenses)	195,217	1,768,287	538,589	741,389	(90,515)	(130,363)	228,280	119,024	3,369,908	1,847,251
Income (loss) before contributions and transfers	6,081,700	1,845,455	144,142	(1,328,695)	(287,064)	399,508	626,758	(1,409,843)	6,071,961	1,137,840
Capital contributions and grants	33,008	-	565,455	254,667	-	-	-	166,458	1,019,588	-
Transfers in	10,000	10,000	-	-	447,475	235,857	-	1,100,000	1,803,332	2,372,353
Transfers out	(3,297,955)	(1,172,290)	(234,705)	(493,941)	(2,665)	(392,292)	(300,015)	(820)	(5,894,683)	(1,115,500)
Change in net position	2,826,753	683,165	474,892	(1,567,969)	157,746	243,073	326,743	(144,205)	3,000,198	2,394,693
Total net position - beginning, as previously reported	36,766,051	19,312,231	20,532,280	46,849,474	552,746	-	-	15,101,666	139,114,448	22,722,491
Restatements	(65,592)	(29,061)	26,077	(17,250)	(615)	1,549,006	7,108,935	(8,672,378)	(100,878)	(80,262)
Total net position - beginning, as restated	36,700,459	19,283,170	20,558,357	46,832,224	552,131	1,549,006	7,108,935	6,429,288	139,013,570	22,642,229
Total net position - ending	\$ 39,527,212	\$ 19,966,335	\$ 21,033,249	\$ 45,264,255	\$ 709,877	\$ 1,792,079	\$ 7,435,678	\$ 6,285,083	\$ 142,013,768	\$ 25,036,922

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities 702,406

Change in net position of business-type activities \$ 3,702,604

BOROUGH OF CHAMBERSBURG
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2024

	Enterprise Funds									
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:										
Receipts from customers	\$ 34,960,958	\$ 7,788,940	\$ 5,290,188	\$ 7,716,328	\$ 890,115	\$ 4,880,769	\$ 1,327,445	\$ 234,038	\$ 63,088,781	\$ -
Receipts from interfund services provided	-	-	-	-	-	-	-	-	-	13,949,705
Payments to suppliers	(24,425,010)	(5,925,105)	(2,730,078)	(5,196,437)	(366,508)	(2,490,182)	(500,410)	(948,106)	(42,589,836)	(5,964,485)
Payments to and on behalf of employees	(3,156,132)	(1,115,726)	(1,556,380)	(2,265,815)	(521,896)	(1,540,934)	(252,758)	(311,431)	(10,721,072)	(7,219,533)
Refund received for health insurance	-	-	-	-	-	-	-	-	-	840,984
Net cash provided (used) by operating activities	7,379,816	748,109	995,730	254,076	1,711	849,653	574,277	(1,025,499)	9,777,873	1,606,671
Cash flows from capital and related financing activities:										
Purchase of capital assets	(717,555)	(2,465,371)	(746,603)	(50,201)	-	(3,964,430)	(680,405)	(124,852)	(8,749,417)	(1,597,160)
Proceeds from debt	570,213	-	-	-	-	4,269,665	6,397,189	-	11,237,067	-
Proceeds from sale of assets	-	-	-	-	-	10,199	-	-	10,199	113,088
Proceeds from tap fees	-	-	395,642	208,717	-	-	-	-	604,359	-
Transfer from other funds for debt service	-	-	-	-	447,475	-	-	-	447,475	-
Grants received	-	-	565,455	-	-	-	-	124,229	689,684	-
Principal paid on capital debt	(430,355)	-	(258,678)	(281,127)	(286,704)	(104,861)	-	-	(1,361,725)	(339,330)
Interest and fiscal charges paid on debt and IT subscriptions	(458,297)	(34)	(283,803)	(77,248)	(160,699)	(237,662)	(240,846)	-	(1,458,589)	(163,792)
Principal paid on leases and IT subscriptions	(101,914)	(1,076)	(1,076)	(1,076)	-	-	-	-	(105,142)	(44,932)
Proceeds from lessor transactions	115,546	-	-	-	-	-	-	32,304	147,850	2,372,353
Net cash provided (used) by capital and related financing activities	(1,022,362)	(2,466,481)	(329,063)	(200,935)	72	(27,089)	5,475,938	31,681	1,461,761	(2,032,126)
Cash flows from non-capital financing activities:										
Transfer from other funds	10,000	10,000	-	-	-	235,857	-	1,100,000	1,355,857	2,372,353
Transfer to other funds	(3,297,955)	(1,172,290)	(234,705)	(493,941)	(2,665)	(392,292)	(300,015)	(820)	(5,894,683)	(1,115,500)
Grants received	187,780	1,098,745	194,330	64,050	868	97,160	150,544	24,354	1,817,831	256,233
Net cash provided (used) by non-capital financing activities	(3,100,175)	(63,545)	(40,375)	(429,891)	(1,797)	(59,275)	(149,471)	1,123,534	(2,720,995)	1,513,086
Cash flows from investing activities:										
Interest and dividends received	730,753	80,834	135,179	230,446	16,003	75,776	260,045	27,499	1,556,535	364,182
Net cash provided (used) by investing activities	730,753	80,834	135,179	230,446	16,003	75,776	260,045	27,499	1,556,535	364,182
Net increase (decrease) in cash and cash equivalents	3,980,032	(1,701,083)	761,471	(146,304)	15,999	839,065	6,160,789	157,215	10,075,174	1,451,813
Increase (decrease) in fair value of investments (*)	140,173	87,551	162,889	264,772	21,929	33,528	189,312	32,502	932,656	441,607
Total increase (decrease) in cash and cash equivalents	4,128,205	(1,613,532)	924,360	118,468	37,918	872,593	6,350,101	189,717	11,007,830	1,893,420
Cash and equity in pooled cash and investments - beginning of the year	5,289,702	4,543,715	6,712,405	11,673,861	789,250	618,445	2,627,855	1,322,389	33,577,622	18,587,380
Cash and equity in pooled cash and investments - end of the year	\$ 9,417,907	\$ 2,930,183	\$ 7,636,765	\$ 11,792,329	\$ 827,168	\$ 1,491,038	\$ 8,977,956	\$ 1,512,106	\$ 44,585,452	\$ 20,480,800
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:										
Operating income (loss)	\$ 5,886,483	\$ 77,168	\$ (394,447)	\$ (2,070,084)	\$ (196,549)	\$ 529,871	\$ 398,478	\$ (1,528,867)	\$ 2,702,053	\$ (709,411)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation and amortization expense	2,499,730	485,828	1,293,510	2,342,523	197,996	292,432	120,469	502,841	7,725,329	1,405,181
Miscellaneous nonoperating income	88,249	1,608	48,619	33,606	11,355	-	5,334	1,720	190,491	6,891
Miscellaneous nonoperating expense	(32,477)	(32,477)	-	-	-	-	-	-	(64,954)	-
(Increase) decrease in:										
Accounts receivable	(767,513)	19,386	(1,997)	(75,594)	(179)	(12,132)	(9,745)	(16,497)	(864,271)	(15,782)
Lease receivable	-	-	-	-	-	-	-	10,905	10,905	-
Inventories	(25,542)	49,858	23,484	4,086	-	-	-	-	51,886	(93,719)
Prepaid expenses	(18,911)	352	1,964	(2,554)	-	(5,174)	-	-	(24,323)	3,439
Increase (decrease) in:										
Accounts payable and accrued expenses	(223,557)	169,039	(3,042)	40,608	1,598	9,791	14,220	2,238	10,895	119,729
Net pension liability and related deferred outflows and inflows	(33,361)	(36,012)	35,645	(9,115)	(12,254)	40,599	46,676	25,537	57,715	96,990
Net OPEB liability and related deferred outflows and inflows	(26,277)	(12,215)	(11,860)	(14,024)	(256)	(5,734)	(1,155)	(2,738)	(74,259)	(49,628)
Unearned revenue	(936)	912	-	-	-	-	-	-	(24)	-
Customer deposits	43,928	24,662	3,854	4,624	-	-	-	-	77,068	-
Deferred inflows- leases	-	-	-	-	-	-	-	(20,638)	(20,638)	-
Refund received for health insurance	-	-	-	-	-	-	-	-	-	842,981
Net cash provided (used) by operating activities	\$ 7,379,816	\$ 748,109	\$ 995,730	\$ 254,076	\$ 1,711	\$ 849,653	\$ 574,277	\$ (1,025,499)	\$ 9,777,873	\$ 1,606,671
Non-cash investing, capital and non-capital financing activities										
Donated assets from developers	\$ 33,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,008	\$ -
Change in accounts payable and retainage related to capital assets	23,241	12,982	(72,464)	48,721	-	8,829	(81,340)	-	(60,031)	(7,695)
Increase (decrease) in fair value of investments (*)	140,173	87,551	162,889	264,772	21,929	33,528	189,312	32,502	932,656	441,607

(*) Cash and equity in pooled cash and investments includes various investments held by the Borough. The increase (decrease) in fair value of investments represents the unrealized gain (loss) on these investments.

BOROUGH OF CHAMBERSBURG
Statement of Fiduciary Net Position
December 31, 2024

	Pension Trust Funds	Private Purpose Trust Funds
ASSETS		
Cash and equity in pooled cash and investments	\$ 3,098,056	\$ 31,474
Mutual funds - Corporate bonds	18,423,710	-
Mutual funds - Stocks	26,471,650	-
Mutual funds - Real estate securities	9,645,738	-
Total assets	<u>\$ 57,639,154</u>	<u>\$ 31,474</u>
NET POSITION		
Net position restricted for pensions	57,639,154	-
Restricted	-	31,474
Total net position	<u>57,639,154</u>	<u>31,474</u>
Total net position	<u>\$ 57,639,154</u>	<u>\$ 31,474</u>

BOROUGH OF CHAMBERSBURG
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2024

	Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions		
Employer	\$ 2,189,897	\$ -
Plan member	1,081,333	-
Transfer in	<u>17,123</u>	<u>-</u>
Total contributions	<u>3,288,353</u>	<u>-</u>
Investment income		
Net appreciation in fair value of investments and gain on sale of investments	4,262,949	-
Interest, dividends, and other	<u>1,281,358</u>	<u>1,445</u>
Total net investment earnings	<u>5,544,307</u>	<u>1,445</u>
 Total additions	 <u>8,832,660</u>	 <u>1,445</u>
DEDUCTIONS		
Benefits	3,874,410	-
Administrative expenses	98,637	-
Transfer out	<u>17,123</u>	<u>-</u>
Total deductions	<u>3,990,170</u>	<u>-</u>
 Change in net position	 4,842,490	 1,445
Net position - beginning	<u>52,796,664</u>	<u>30,029</u>
Net position - ending	<u>\$ 57,639,154</u>	<u>\$ 31,474</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The financial statements of the Borough of Chambersburg have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The GASB defines the criteria used to determine the composition of the reporting entity. It requires that the reporting entity include (a) the primary government, (b) organizations for which the primary government is financially accountable, (c) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (d) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and if it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for the governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation in some manner for the debt of the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

Based upon the application of these criteria, the following component unit is reported discretely as it does not satisfy the blending criteria of GASB Standards:

The Chambersburg Area Municipal Authority (the "Authority") is governed by a Board appointed by Borough Council. The Authority provides conduit financing to organizations and purchased a local shopping center for purposes of economic revitalization. As a result of the fact the Authority provides services to outside organizations and not only directly to the Borough, as well as the Borough imposing its will on the Authority by having the ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations of the Authority, the Authority is included in these financial statements as a discretely presented component unit. Separately issued financial statements of the Authority can be obtained by contacting management of the Borough.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The Borough uses 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position/(deficit), revenue, and expenditures/expenses. The various funds of the primary government are grouped into the categories of governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Borough are financed. The measurement focus is on the flow of expendable resources, rather than on net earnings determination.

The Borough reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Borough. This fund is used to account for all financial transactions except those required to be accounted for in another fund. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

Additionally, the Borough reports the following non-major governmental funds:

Capital Reserve Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

Special Revenue Funds – These funds are used to account for proceeds of specific revenue sources used to finance specific activities as required by law or administrative regulation. The Borough has the following Special Revenue Funds:

Grant Programs Fund is used to account for the proceeds of specific revenue sources from grants used to finance specific activities as required by law or administrative regulation obtained by the Borough for the governmental activities.

Liquid Fuels Fund is used to account for state liquid fuels tax revenue used primarily for building, improving, and maintaining local roads and bridges.

Fire Tax Fund is used to account for real estate tax revenue used primarily for fire department support.

Police Station Bond Tax Fund is used to account for real estate tax revenue levied to pay for debt service associated with the police station project.

Recreation Bond Tax Fund is used to account for real estate tax revenue used primarily for recreational purposes.

Citizen's Reward Fund is used to hold contributions from private citizens for the purpose of rewarding police informants for their assistance in solving crime.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the focus of proprietary funds is on the determination of net earnings and capital maintenance. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The Borough reports the following major enterprise funds:

Electric Department – Provides electric power and related services to the Borough of Chambersburg and all customers, both residential and commercial, throughout the Borough.

Gas Department – Provides natural gas and related services to the Borough of Chambersburg in addition to its residential and commercial customers throughout the Borough and within its proximity.

Water Department – Provides water and related services, including laboratory analyses, to the Borough of Chambersburg, its residents, business establishments and various customers within the proximity of the Borough.

Sewer Department – Provides wastewater treatment services for the Borough of Chambersburg, its residents, commercial establishments and various customers located within the neighboring areas of Greene Township, Guilford Township, Hamilton Township and Letterkenny Township.

Swimming Pool Department – Provides aquatic recreational services for the residents of Chambersburg and the surrounding areas.

Sanitation Department – Provides trash and garbage removal for the Borough of Chambersburg, its residents and commercial establishments throughout the Borough.

Storm Sewer Department – Provides stormwater removal for the Borough of Chambersburg, its residents and commercial establishments throughout the Borough.

The Borough reports the following non-major enterprise fund:

Parking, Traffic and Street Lights Department – Regulates and controls vehicle parking, traffic and streetlights throughout the Borough of Chambersburg.

For proprietary funds, the Borough has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues – Operating revenues are defined as any charge for service or revenue related to the general operations of the respective fund. Operating revenues include activities that have the characteristics of exchange transactions, such as (1) utility billings; (2) penalties and late charges; and (3) other miscellaneous sales.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Proprietary Funds (Continued)

Nonoperating Revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions (in which the Borough receives value without directly giving equal value in return), such as contributions and grants, and other revenues that are defined as nonoperating revenues by GASB pronouncements, such as investment earnings. Tap fees are also considered nonoperating since they are charged based on future capacity needs of the system and are not based on an exchange-type transaction.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are a combination of the Borough's governmental and enterprise funds, financial statements of internal service funds are allocated based on the usage of those funds and included in the governmental and business-type column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

The Borough's internal service funds consist of:

Stores Fund – The Stores Department is responsible for the purchase, storage, and disbursal of inventory which is used to support the construction and maintenance functions of the Borough utilities.

Motor Equipment Fund – This fund supports the activities of the Motor Equipment Department which manages a rolling stock of more than 120 vehicles.

Self-insurance Fund – This fund is used for the purpose of funding risk which the Borough does not transfer to commercial insurance carriers or insurance pools.

Engineering Fund – This fund supports the activities of the Engineering Department which is responsible for furnishing engineering, surveying, drafting, and utility location information to other departments. The department also designs and inspects public works projects.

Worker's Compensation – This fund underwrites the risks to the Borough resulting from job-related injury or illness to its employees.

Administrative Services Fund – Administrative Services is responsible for the complete financial reporting and utility meter reading, as well as the operation and maintenance of Borough Hall. This fund also includes the Finance Department.

The major fund concept does not apply to internal service funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: pension trust funds (Firemen's, Police, and Bargaining and Administrative Employees), and private-purpose trust fund (Sister City).

Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own program.

The Borough's fiduciary funds consist of:

Police Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified public safety (police) employees.

Bargaining and Administrative Employees Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the Borough other than police or fire department employees.

Firemen's Pension Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified Fire Department employees.

Sister City Fund - Trust fund used to hold money that accumulates for the specific purpose of "sister city" activities. Our sister city is Gotemba, Japan.

Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Borough as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Borough that are governmental and those that are considered business-type activities. The primary government is reported separately from the legally separate discretely presented component unit for which the primary government is financially accountable.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Borough, and for each function or program of the Borough's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants and contributions that are restricted to

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

meeting the operation or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Borough, with certain limited exceptions. The comparison of direct expenses and program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Borough.

Fund Financial Statements – Fund financial statements report detailed information about the Borough. The focus of the governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The major fund concept does not apply to internal service funds which are considered proprietary funds and are presented with enterprise funds. Fiduciary funds are reported by fund type.

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

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

Fiduciary funds are reported using the economic resources measurement focus.

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific Borough expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. If time eligibility requirements are not met, a deferred inflow of resources would be recorded. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund, liquid fuels fund, capital reserve, grant program tax funds, and proprietary funds. All annual appropriations lapse at year end and must be reappropriated. Budgets are not revised during the year. Encumbrance accounting is utilized for internal management purposes, but not for financial reporting. The budget is prepared and approved at the departmental level. The departments presented in the Budgetary Comparison Schedules included as required supplementary information represent the legal level of budgetary control.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows of resources, deferred outflows of resources and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and in accordance with GASB pronouncements, each fund's equity in the Borough's investment pool since each fund can deposit or effectively withdraw cash at any time without prior written notice or penalty. Cash and cash equivalents on the Proprietary Funds' cash flow statements are in agreement with the amounts listed on the related statement of net position as "cash and equity in pooled cash and investments".

Investments are reported at fair value based on quoted values from established markets. Managed funds related to the retirement systems not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Income, including the change in fair value, from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the Borough are accounted for in pooled cash and temporary investment accounts. Income earned from this pooling of investments is allocated monthly to the respective funds based upon month end balances.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories held by the Electric, Gas, Water, Sewer, and Stores Funds, as well as fuel in the Motor Equipment Fund are priced using the moving weighted-average method. Inventories of parts held by the Motor Equipment Fund are stated at cost, cost being determined using the first-in/first-out (FIFO) method.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type column of the government-wide statement of net position and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Borough maintains a capitalization threshold of \$ 10,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest costs related to construction are expensed as incurred.

Infrastructure assets that have been acquired since 1980 have been recorded in accordance with GASB requirements. These consist mainly of highway improvements.

All reported capital assets are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

	Governmental Activities	Business-Type Activities
Land improvements	10-20 years	10-20 years
Buildings	40-50 years	40-50 years
Machinery and equipment	8-40 years	8-40 years
Utility plant in service	20-50 years	20-50 years
Infrastructure - railroads	25 years	N/A
Infrastructure - highways	25 years	N/A
Infrastructure - other	5-50 years	N/A
Right-to-use asset - land	N/A	1-35 years
Right-to-use asset - equipment	1-3 years	4-25 years
Right-to-use asset - IT subscriptions	1-3 years	1-3 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Lessee: The Borough is a lessee for leases of police vehicles and land. The Borough recognizes lease liabilities, intangible right-to-use lease assets as well as amortization in the financial statements.

At the commencement of the lease, the Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Borough generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Borough is reasonably certain to exercise.

The Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The Borough is a lessor of various buildings and telephone towers. The Borough recognizes lease receivable, interest income and deferred inflows of resources in the financial statements.

At the commencement of the lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-based Information Technology Arrangements

The Borough is a lessee for noncancellable arrangements for subscription-based information technology. The Borough recognizes a subscription liability and its intangible right-to-use IT subscription asset (subscription asset) in the government-wide financial and proprietary fund financial statements.

At the commencement of a subscription arrangement, the Borough initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription arrangement commencement date, plus certain implementation state costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to the subscription arrangements include how the Borough determines (1) the discount rate it uses to discount the expected subscription arrangement payments to present value, (2) subscription term, and (3) subscription payments.

- The Borough uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Borough generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription arrangement. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any renewal provisions that the Borough is reasonably certain to exercise.

The Borough monitors changes in circumstances that would require a remeasurement of its subscription arrangement and will remeasure the subscription asset and liability if certain changes occurred that are expected to significantly affect the amount of the subscription liability.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Borough has several items that qualify for reporting in this category, as detailed below.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Borough has several items that qualify for reporting in this category, as detailed below. These amounts will be amortized in future periods.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disaggregated Deferred Outflows of Resources

Below is a detailed breakout of the deferred outflows of resources that are aggregated for financial statement reporting purposes.

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources			
OPEB liability	\$ 256,801	\$ 56,159	\$ 312,960
Pension liability	<u>1,635,909</u>	<u>963,817</u>	<u>2,599,726</u>
Total deferred outflows of resources	<u>\$ 1,892,710</u>	<u>\$ 1,019,976</u>	<u>\$ 2,912,686</u>

Enterprise Funds

	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund	Other Enterprise Funds	Total
Deferred outflows of resources									
OPEB liability	\$ 9,695	\$ 4,335	\$ 4,059	\$ 4,929	\$ 2,519	\$ 1,907	\$ 1,500	\$ 5,087	\$ 34,031
Pension liability	<u>198,620</u>	<u>86,380</u>	<u>90,618</u>	<u>103,113</u>	<u>18,084</u>	<u>47,156</u>	<u>21,966</u>	<u>53,874</u>	<u>619,811</u>
Total deferred outflows of resources	<u>\$ 208,315</u>	<u>\$ 90,715</u>	<u>\$ 94,677</u>	<u>\$ 108,042</u>	<u>\$ 20,603</u>	<u>\$ 49,063</u>	<u>\$ 23,466</u>	<u>\$ 58,961</u>	<u>\$ 653,842</u>

	Parking, Traffic and Street Lights Fund	Total Other Enterprise Funds
Deferred outflows of resources		
OPEB liability	\$ 5,087	\$ 5,087
Pension liability	<u>53,874</u>	<u>53,874</u>
Total deferred outflows of resources	<u>\$ 58,961</u>	<u>\$ 58,961</u>

	Stores Fund	Motor Equipment Fund	Engineering Fund	Administrative Services Fund	Total Internal Service Funds
Deferred outflows of resources					
OPEB liability	\$ 5,824	\$ 3,804	\$ 7,936	\$ 13,672	\$ 31,236
Pension liability	<u>55,159</u>	<u>46,546</u>	<u>87,931</u>	<u>295,974</u>	<u>485,610</u>
Total deferred outflows of resources	<u>\$ 60,983</u>	<u>\$ 50,350</u>	<u>\$ 95,867</u>	<u>\$ 309,646</u>	<u>\$ 516,846</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Disaggregated Deferred Inflows of Resources

Below is a detailed breakout of the deferred inflows of resources that is aggregated for financial statement reporting purposes.

	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources			
Bond refunding	\$ 18,049	\$ 52,047	\$ 70,096
Lessor transactions	1,180,300	1,280,278	2,460,578
OPEB liability	1,629,596	1,160,339	2,789,935
Pension liability	735,242	1,857,173	2,592,415
Total deferred inflows of resources	<u>\$ 3,563,187</u>	<u>\$ 4,349,837</u>	<u>\$ 7,913,024</u>

	General Fund	Governmental Funds	Governmental Funds
Deferred inflows of resources			
Unavailable tax revenue	\$ 879,415	\$ 49,547	\$ 928,962
Lessor transactions	1,180,300	-	1,180,300
Unavailable grant revenue	-	512,208	512,208
Total deferred inflows of resources	<u>\$ 2,059,715</u>	<u>\$ 561,755</u>	<u>\$ 2,621,470</u>

	Special Revenue					Total Other Governmental Funds
	Capital Reserve Fund	Grant Programs Fund	Fire Tax Fund	Police Station Bond Tax Fund	Recreation Bond Tax Fund	
Deferred inflows of resources						
Unavailable tax revenue	\$ -	\$ -	\$ 20,715	\$ 13,250	\$ 15,582	\$ 49,547
Unavailable grant revenue	80,000	432,208	-	-	-	512,208
Total deferred inflows of resources	<u>\$ 80,000</u>	<u>\$ 432,208</u>	<u>\$ 20,715</u>	<u>\$ 13,250</u>	<u>\$ 15,582</u>	<u>\$ 561,755</u>

	Enterprise Funds								Total
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund	Other Enterprise Funds	
Deferred inflows of resources									
Lessor transactions	\$ 807,327	\$ -	\$ -	\$ -	\$ 52,047	\$ -	\$ -	\$ 472,951	\$ 1,332,325
OPEB liability	273,557	124,195	117,964	141,749	8,489	56,109	14,676	38,415	775,154
Pension liability	408,627	189,404	207,604	228,673	8,578	110,710	32,112	62,024	1,247,732
Total deferred inflows of resources	<u>\$ 1,489,511</u>	<u>\$ 313,599</u>	<u>\$ 325,568</u>	<u>\$ 370,422</u>	<u>\$ 69,114</u>	<u>\$ 166,819</u>	<u>\$ 46,788</u>	<u>\$ 573,390</u>	<u>\$ 3,355,211</u>

	Parking, Traffic and Street Lights Fund	Total Other Enterprise Funds
Deferred inflows of resources		
Lessor transactions	\$ 472,951	\$ 472,951
OPEB liability	38,415	38,415
Pension liability	62,024	62,024
Total deferred inflows of resources	<u>\$ 573,390</u>	<u>\$ 573,390</u>

	Stores Fund	Motor Equipment Fund	Engineering Fund	Administrative Services Fund	Total Internal Service Funds
Deferred inflows of resources					
OPEB liability	\$ 33,811	\$ 38,272	\$ 82,586	\$ 389,070	\$ 543,739
Pension liability	53,226	63,343	114,810	628,928	860,307
Total deferred inflows of resources	<u>\$ 87,037</u>	<u>\$ 101,615</u>	<u>\$ 197,396</u>	<u>\$ 1,017,998</u>	<u>\$ 1,404,046</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and are shown separately in proprietary funds.

Allowance for Uncollectible Accounts

The Borough provides credit to its customers in the normal course of business. Receivables are generally due thirty days after billed. The Borough provides an allowance for uncollectible accounts equal to the estimated losses based on historical collection experience that will be incurred in the collection of all receivables.

Loans Receivable

Loans receivable on the statement of net position (classified in "other receivables") represent loans made to low-income residents under a revolving loan program funded by the Pennsylvania Department of Community and Economic Development (DCED) and the Federal HOME Program, as well as loan agreements with the Chambersburg Area Development Corporation for the renovation of the Heritage Center funded by DCED and Franklin County Visitor's Bureau for visitor center renovations.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activity columns in the statement of net position. This same treatment also applies to proprietary fund financial statements.

Bond premium and discounts, deferred charge on bond refunding, as well as prepaid bond insurance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The deferred charge on bond refunding is reported as deferred outflows of resources and amortized over the shorter of the life of the refunded or refunding debt. Prepaid bond insurance costs are reported as an asset and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses (if resulting from a disparity in interest rates) or as debt service expenditures (if resulting from underwriter's fees). Issuance costs (including prepaid bond insurance), whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt and accounts payable and retainage payable that are attributable to the acquisition, construction or improvement of these assets reduce this category. *Net Investment in Capital Assets* consists of the following at December 31, 2024:

Government-Wide Activity

	Governmental Activities	Business-Type Activities
Capital assets	\$ 34,936,804	\$ 155,357,518
Bonds, notes, leases, IT subscription liabilities	(10,238,251)	(49,408,569)
Deferred charge on bond refunding	(18,049)	(52,047)
Accounts and retainage payable related to capital assets	(9,250)	(130,949)
Unspent bond proceeds	156,189	7,315,446
Net investment in capital assets	<u>\$ 24,827,443</u>	<u>\$ 113,081,399</u>

Proprietary Funds

	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Parking, Traffic, and Street Lights Fund	Storm Sewer Fund	Total
Capital assets	\$ 45,131,851	\$ 17,393,012	\$ 20,586,360	\$ 37,334,604	\$ 6,633,369	\$ 7,225,212	\$ 4,948,627	\$ 5,183,349	\$ 144,436,384
Bonds, notes, leases, IT subscription liabilities	(14,083,140)	-	(6,490,515)	(3,828,206)	(6,639,967)	(6,446,402)	-	(6,382,596)	(43,870,826)
Deferred charge on bond refunding	-	-	-	-	(52,047)	-	-	-	(52,047)
Bond issue cost	(1,304)	-	-	-	-	(5,914)	-	(14,592)	(21,810)
Accounts and retainage payable related to capital assets	(39,767)	(20,378)	(3,396)	(57,751)	-	(8,829)	(828)	-	(130,949)
Unspent bond proceeds	437,273	-	-	-	-	1,983,627	-	4,894,546	7,315,446
Net investment in capital assets	<u>\$ 31,444,913</u>	<u>\$ 17,372,634</u>	<u>\$ 14,092,449</u>	<u>\$ 33,448,647</u>	<u>\$ (58,645)</u>	<u>\$ 2,747,694</u>	<u>\$ 4,947,799</u>	<u>\$ 3,680,707</u>	<u>\$ 107,676,198</u>

Internal Service Funds

	Stores Fund	Motor Equipment Fund	Engineering Fund	Administrative Services Fund	Total
Capital assets	\$ 196,263	\$ 6,177,425	\$ 32,629	\$ 9,010,304	\$ 15,416,621
Bonds, notes, leases, IT subscription liabilities	-	-	-	(7,740,145)	(7,740,145)
Net investment in capital assets	<u>\$ 196,263</u>	<u>\$ 6,177,425</u>	<u>\$ 32,629</u>	<u>\$ 1,270,159</u>	<u>\$ 7,676,476</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Restricted: This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Restricted for future capital projects	
Restricted for capital improvements	\$ 9,238,516
Restricted for highway improvements/projects	<u>742,600</u>
Total	<u>9,981,116</u>
Restricted for specific future expenditures	
Restricted for fire expenditures	25,446
Restricted for grant expenditures	309,929
Restricted for recreation expenditures	383,476
Restricted for police expenditures	122,609
Future police expenses	<u>11,562</u>
Total	<u>853,022</u>
Total restricted net position	<u><u>\$ 10,834,138</u></u>

Unrestricted: This category of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough's policy to use restricted resources first, then unrestricted resources as they are needed.

Deficit Net Position

The Administrative Services Fund and Engineering Fund, (internal service funds) have deficit net position balances of \$ (2,003,643) and \$ (386,205) and the Grant Fund has a deficit fund balance of \$ (214,564), respectively at December 31, 2024.

Fund Balance – Governmental Funds

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and the long-term portion of loans and notes receivable. This also includes the corpus (or principal) of permanent funds.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Governmental Funds (Continued)

Restricted: This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds. The following details restricted fund balance:

Restricted for capital improvements	\$ 9,394,705
Restricted for citizens reward	11,562
Restricted for fire expenses	25,446
Restricted for police expenses	122,609
Restricted for recreation expenses	383,476
Restricted for highway improvements/projects	742,600
	<u>\$ 10,680,398</u>

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Borough's highest level of decision-making authority. This formal action is in the form of a resolution which is made by the Borough Council. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

Committed fund balance in the general fund represents amounts set aside for future projects related to the Southgate Shopping Center.

Assigned: This classification includes spendable amounts that are reported in governmental funds *other than in the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by the Borough Council. The assignment of fund balance cannot result in a negative unassigned fund balance.

Unassigned: This classification represents the portion of a spendable fund balance that has not been categorized as restricted, committed, or assigned. The general fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and unassigned fund balance in the general fund) would be eliminated prior to reporting a negative unassigned fund balance.

Minimum Fund Balance

The Borough's policy is to maintain a minimum of 5% of the total budgeted expenditures (including interfund transfers out) as the residual unassigned fund balance at year end. Three methods that can be employed in increasing fund balance if it were to fall below the minimum threshold are: 1) increase general fund revenues via tax or other revenue increase (charges for service), 2) decreasing general fund expenditures, or 3) increasing transfers from other Borough funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order of Spending Policy

The Borough's policy for spending order when fund balance resources are available for a specific purpose in multiple classifications is to use restricted resources first and then apply unrestricted resources in the following order: unassigned, assigned, and committed.

Pension Trust Funds

The GASB requires a statement of plan net position and a statement of changes in plan net position. These are shown as part of the fiduciary statements. It also requires plan investments to be recorded at their fair value and establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, and note disclosures.

Deferred Compensation Plan

The Borough has established a deferred compensation plan under Internal Revenue Code Section 457 which covers all employees. All assets and income of the plan are held for the exclusive benefit of the plan's participants and their beneficiaries. In accordance with the provisions of the GASB, the assets and liabilities of the plan are not reported on the financial statements of the Borough.

Compensated Absences

Effective January 1, 2024, the Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement establishes uniform recognition and measurement criteria for all types of compensated absences, including vacation, sick leave, and other forms of paid time off that are attributable to services already rendered and are more likely than not to be used or otherwise paid.

In accordance with GASB 101, the Borough recognizes a liability for compensated absences based on the pay rates in effect as of the financial statement date, including applicable salary-related payments such as payroll taxes. The liability is remeasured at each reporting date.

As part of the implementation, the Borough adopted a last-in, first-out (LIFO) flow assumption for the use of leave balances. Under this approach, the most recently earned leave is assumed to be used first. This assumption aligns with the Borough's administrative practices and provides a more accurate reflection of the expected settlement value of compensated absences.

See note 17 for additional information concerning the required restatements as a result of the adoption of this standard.

Under terms of the Borough's employment agreements, employees are granted vacation, personal, and sick leave in varying amounts. Upon separation from employment with the Borough, employees shall receive pay for all unused vacation and personal leave including leave earned to that date for the next calendar year. Pay for all unused vacation and personal leave shall be based on the rate of pay of the employees at the time of separation. Upon separation

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

from employment from the Borough for any reason other than termination, employees with a certain number of years of continuous service are reimbursed as follows for their accumulated sick leave:

- **Bargaining, Non-Bargaining and Police** - As a wellness incentive, the Borough shall pay to an employee with at least five (5) years of continuous employment with the Borough, a post-separation lump sum payment of 1% of such employee's unused accumulated sick leave for each year that the employee has been employed with the Borough. (Example: An employee who has been employed for 15 years with the Borough would be entitled to 15% of the employee's unused accumulated sick leave, subject to the maximum payment amount set forth below). Such payment shall be based upon the employee's hourly rate at the time of separation. However, any employee who is terminated due to gross neglect, fraud, dishonesty, or willful failure to perform such employee's duties, shall forfeit all rights to such lump sum payment for unused sick leave (the wellness incentive). Additionally, employees shall only be eligible for the wellness incentive if, upon separation, the employee has accumulated at least five hundred (500) hours of sick leave. The maximum amount to be paid to any employee for such wellness incentive is \$ 10,000 for police and \$ 10,968 for bargaining and non-bargaining employees which is adjusted annually with a COLA factor.
- **Fire** - 15% to 27.5% of accumulated sick leave based on years of service.

Sick leave accumulated by bargaining and non-bargaining employees as of January 1, 2016, shall be converted to Catastrophic Sick Leave and credited to their Catastrophic Sick Leave bank. Employees may accumulate a maximum of 1,200 hours of Catastrophic Sick Leave (the "Catastrophic Sick Leave Cap"). At the end of each calendar year, employees with less than 1,200 hours of Catastrophic Sick Leave may roll any unused Regular Sick Leave into their Catastrophic Sick Leave bank, up to the Catastrophic Sick Leave Cap. Regular part-time employees shall be entitled to one-half of this benefit (600 hours catastrophic sick leave). Any accumulated sick leave under this benefit will be paid in accordance with the provisions noted above.

Other Postemployment Benefits Other Than Pension

GASB establishes standards for the measurement, recognition, and display of other postemployment benefit expenditures and related liabilities, note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The Borough's other postemployment benefits are accounted for in accordance with these standards.

The Borough provides postemployment benefits by permitting retired employees the ability to participate in the employee health plan. Even though the retirees pay 102% of the Borough's blended premium rate, the Borough is still providing an implicit rate subsidy to its retirees. These benefits are financed on a pay-as-you-go basis. The Borough provides no other postemployment benefits for Borough employees.

Statement of Cash Flows - Proprietary Funds

Because the Borough accounts for all deposits and investments through a Central Treasury function, all investments are considered to be cash equivalents for purposes of the statement of cash flows.

BOROUGH OF CHAMBERSBURG

Notes to Financial Statements

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough and its discretely presented component unit are authorized to invest in the following under Borough code and Act 10 of 2016:

- U.S. Treasury Bills.
- Short-term obligations of the U.S. Government and federal agencies.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the respective governmental entity.
- Shares of an investment company restricted under the Investment Company Act of 1940.
- Obligations, participations or other instruments of any Federal agency, instrumentality, or United States government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity.
- Negotiable certificates of deposit or other evidence of deposit, with a remaining maturity of three years or less.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a written policy for custodial credit risk. As of December 31, 2024, the Borough has a bank balance of \$ 10,295,510. Of this balance, \$ 250,000 is covered by FDIC insurance and the remaining balance of \$ 10,145,510 is collateralized by securities held by the pledging financial institution, not in the Borough's name. As of December 31, 2024, the Authority has a bank balance of \$ 53,452, all of which is covered by FDIC insurance.

Pennsylvania Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets. Based on the standards outlined in Act 72, the various banks utilized by the Borough have pledged collateral on a pooled basis on behalf of the Borough and all other governmental depositors in the respective financial institutions.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of December 31, 2024, the Borough's investments were as follows:

Investment Type	Fair Value	Average Credit Quality Rating
PLGIT/PLGIT Prime	\$ 8,122,809	AAAm
PLGIT/PLGIT Class	114,095	AAAm
Government Sponsored Enterprises	51,001,884	AA+
U.S. Treasury Notes	251,015	AA+
Money Market Mutual Fund	4,693,926	AAA
Negotiable CD's	1,703,910	Not Rated

Credit Risk - Investments

The Borough has no investment policy that would limit its investment choices to certain credit ratings.

Included in cash and cash equivalents in the financial statements are pooled investments in the Pennsylvania Local Government Investment Trust (PLGIT) - Class and PLGIT - Prime. PLGIT is an external investment pool. These funds operate similarly to mutual funds and consist of short-term money market instruments and seek to maintain a constant net asset value of \$ 1 per share.

Interest Rate Risk - Investments

The following investments are subject to interest rate risk:

	Total Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	>5
Government Sponsored Enterprises	\$ 51,001,884	\$ 17,160,073	\$ 30,684,257	\$ 3,157,554
Negotiable CD's	1,703,910	974,934	728,976	-
U. S. Treasury Notes	251,015	-	251,015	-

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations of Credit Risk - Investments

At December 31, 2024, the following investments were in excess of 5% of the Borough's investments: Federal Home Loan Bank (36%), Federal Farm Credit Banks (23%), Federal Home Loan Mortgage Corp (14%) and Money Market Fund (7%).

Policies Followed at PLGIT

Regulatory Oversight

The operation of PLGIT is governed by an eleven-member Board of Trustees. The Trustees must be employees or elected officials of a local government or school district and are elected at the annual meeting of investors. The Trustees have exclusive and absolute control over the affairs of the Trust and its' assets, subject to rights of the Investors, as provided in the Declaration of Trust.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Policies Followed at PLGIT (Continued)

Regulatory Oversight (Continued)

PLGIT is not registered with the Securities and Exchange Commission (SEC); however, PLGIT follows investment procedures similar to those followed by SEC registered money market funds.

Valuation of Investments

Portfolios are valued using the net asset value per share. The net asset value per share is computed by dividing the total value of the securities and other assets of the portfolio less liabilities, by the outstanding shares of the portfolio.

The Borough has no limitations or restrictions on withdrawals on accounts held at PLGIT.

Municipal Pension Plans

Investments held by the trustees of the pension plans are as follows:

	Total Fair Value	Investment Maturities (in Years)		
		N/A	1-5	>5
Corporate Bond Mutual Funds	\$ 18,423,710	\$ -	\$ 2,845,313	\$ 15,578,397
Open-End Mutual Funds	26,471,650	26,471,650	-	-
Total	<u>\$ 44,895,360</u>	<u>\$ 26,471,650</u>	<u>\$ 2,845,313</u>	<u>\$ 15,578,397</u>

Credit Risk - Pension Plans

The Borough does not have a formal policy pertaining to credit risk. The corporate bond mutual funds credit rating is detailed below:

Rating	Percentage of Total
AAA	32.80%
AA	24.63%
A	17.26%
BBB	22.43%
BB	0.39%
B	0.17%
Below B	0.02%
Not rated	2.30%
	<u>100.00%</u>

Foreign Securities and Currencies Risk - Pension Plans

Foreign securities prices may decline or fluctuate because of economic or political actions of foreign governments or the possibility that foreign currency will fluctuate in value against the U. S. dollar. Included in the \$ 26,471,650 of Open-End Mutual Funds shown above are International Mutual Funds with a fair value of \$ 10,276,393. The International Mutual Funds may be subject to foreign securities and currencies risk.

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1 – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states, and political subdivisions and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Money Market Mutual Funds

The fair value of money market funds is estimated using quoted active markets for identical assets. Such investments are generally classified as Level 1 of the valuation hierarchy.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Investments – Fair Value Measurements

Negotiable Certificates of Deposit

The fair value of negotiable certificates of deposit are estimated using a discounted cash flow calculation that applies to interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities of such deposits. Such investments are generally classified within Level 2 of the valuation hierarchy.

Agency Bonds

Agency Bonds consisting of Federal Farm Credit Banks, Federal Home Loan Mortgage Corp, Federal Home Loan Bank, Federal Home Loan Mortgage Co., Federal National Mortgage Association and Fannie Mae are generally valued at the most recent price of the equivalent quotes yield for such securities, or those of comparable maturity, quality, and type. Such investments are generally classified within Level 2 of the valuation hierarchy.

Mutual Funds

Mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange. The Borough's interests in mutual funds are categorized by type as equity, fixed income, or alternative investments. Such securities are classified within Level 1 of the valuation hierarchy.

The following table sets forth, by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of December 31, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable certificates of deposit	\$ 1,703,910	\$ -	\$ 1,703,910	\$ -
Money market mutual fund	4,693,926	4,693,926	-	-
U.S. Treasury Notes	251,015	251,015	-	-
Agency Bonds:				
Federal Farm Credit Banks	14,905,122	-	14,905,122	-
Federal Home Loan Mortgage Corp	9,068,607	-	9,068,607	-
Federal Home Loan Bank	23,881,311	-	23,881,311	-
Federal National Mortgage Association	3,146,844	-	3,146,844	-
Total Agency Bonds	<u>51,001,884</u>	<u>-</u>	<u>51,001,884</u>	<u>-</u>
Mutual funds by type:				
Corporate Bond	18,423,710	18,423,710	-	-
Open-End	26,471,650	26,471,650	-	-
Total mutual funds	<u>44,895,360</u>	<u>44,895,360</u>	<u>-</u>	<u>-</u>
Total investments by fair value category	<u>\$ 102,295,080</u>	<u>\$ 49,589,286</u>	<u>\$ 52,705,794</u>	<u>\$ -</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 3 TAXES AND OTHER RECEIVABLES

Property taxes are levied on March 1 for the tax year. Taxes are payable at a 2% discount if paid before May 1 and at a 10% penalty if paid after the due date of June 30. Outstanding real estate taxes are turned over to a delinquent tax collector on January 15 of each year. After proper notification is made to a property owner, a lien is filed on or about May 1 and must remain in effect for a period of two years before a tax sale may occur.

Taxes are recorded in the funds as revenue by the Borough when received from the tax collector, and accruals are recorded at year-end for taxes expected to be received within 60 days of December 31 in accordance with the modified accrual basis of accounting. The Borough has not established an allowance for uncollectible taxes since experience has demonstrated that substantially all taxes are ultimately collectible.

Receivables as of December 31, 2024 for the Borough's governmental activities, including the applicable allowances for uncollectible accounts, are as follows:

Real estate	\$ 361,596
Earned income tax	995,009
Real estate transfer tax	221,561
Ambulance billings	655,100
Loans receivable	192,369
Lease receivables	1,295,512
Other	4,369,139
Allowance for uncollectible accounts	<u>(529,813)</u>
Receivables - full accrual basis	7,560,473
Allocation of internal service funds receivables not recorded in the governmental fund financial statements	<u>(121,491)</u>
Receivables - modified accrual basis	<u>\$ 7,438,982</u>

On the Governmental Wide Financial statement, the Borough's receivable balance is aggregated into a single receivable, net line item. Below is a detail of the Governmental and Business Type Activities: Receivables, net line item.

	Governmental Activities	Business-Type Activities	Total
Current receivables, net			
Accounts receivable	\$ 542,371	\$ 6,515,393	\$ 7,057,764
Due from other governments	4,873,199	610,950	5,484,149
Lease receivables	254,638	80,040	334,678
Other receivables	315,426	395,055	710,481
Taxes receivable, net	361,596	-	361,596
Total current receivables	<u>\$ 6,347,230</u>	<u>\$ 7,601,438</u>	<u>\$ 13,948,668</u>
Noncurrent receivables			
Loan receivables	\$ 172,369	\$ -	\$ 172,369
Lease receivables	1,040,874	1,286,294	2,327,168
Total noncurrent receivables	<u>\$ 1,213,243</u>	<u>\$ 1,286,294</u>	<u>\$ 2,499,537</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 4 LEASE RECEIVABLE/DEFERRED INFLOW

The Borough has entered into multiple land, building and equipment lease agreements for purposes of parking, retail space and cell tower uses respectively. The leases require monthly or yearly principal and interest payments ranging from \$ 614 to \$ 35,618 based on interest rates ranging from 0.80% to 2.25%. The following table shows the beginning lease receivable and deferred inflows of resources as well as the reductions in both based on current year lease payments received. The Borough recognized \$ 500,563 of lease revenue and \$ 50,200 of interest revenue during the year ended December 31, 2024.

Lease Receivable

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-Term Portion
Governmental Activities						
Lease receivable	\$ 1,665,841	\$ -	\$ (370,329)	\$ 1,295,512	\$ 254,638	\$ 1,040,874
Total lease receivable	\$ 1,665,841	\$ -	\$ (370,329)	\$ 1,295,512	\$ 254,638	\$ 1,040,874
Business-type Activities						
Lease receivable	\$ 1,444,665	\$ -	\$ (78,331)	\$ 1,366,334	\$ 80,040	\$ 1,286,294
Total lease receivable	\$ 1,444,665	\$ -	\$ (78,331)	\$ 1,366,334	\$ 80,040	\$ 1,286,294

Deferred Inflows - Leases

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
Deferred inflows of resource - leases	\$ 1,583,708	\$ -	\$ (403,408)	\$ 1,180,300
Total deferred inflows of resources	\$ 1,583,708	\$ -	\$ (403,408)	\$ 1,180,300
Business-type Activities				
Deferred inflows of resource - leases	\$ 1,384,994	\$ -	\$ (104,716)	\$ 1,280,278
Total deferred inflows of resources	\$ 1,384,994	\$ -	\$ (104,716)	\$ 1,280,278

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 5 CAPITAL ASSETS

Capital asset activity for the Borough consists of the following for the year ended December 31, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Cost:				
Capital assets not being depreciated				
Land	\$ 728,242	\$ -	\$ -	\$ 728,242
Construction-in-progress	771,353	1,456,156	(957,041)	1,270,468
Capital assets being depreciated/amortized				
Land improvements	4,292,814	333,173	-	4,625,987
Buildings	17,123,918	354,061	-	17,477,979
Machinery and equipment	7,090,008	576,076	(169,267)	7,496,817
Infrastructure - highways	24,797,950	-	-	24,797,950
Infrastructure - railroads	2,478,702	-	-	2,478,702
Infrastructure - other	5,836,996	-	-	5,836,996
Right-to-use asset - equipment	20,779	28,397	-	49,176
Right-to-use asset - IT subscription	48,140	-	-	48,140
Total cost	<u>63,188,902</u>	<u>2,747,863</u>	<u>(1,126,308)</u>	<u>64,810,457</u>
Less accumulated depreciation/amortization:				
Land improvements	(3,081,546)	(294,130)	-	(3,375,676)
Buildings	(5,147,977)	(484,146)	-	(5,632,123)
Machinery and equipment	(3,838,260)	(538,554)	160,793	(4,216,021)
Infrastructure - highways	(9,897,888)	(942,277)	-	(10,840,165)
Infrastructure - railroads	(2,478,700)	-	-	(2,478,700)
Infrastructure - other	(3,170,651)	(113,693)	-	(3,284,344)
Right-to-use asset - equipment	(17,196)	(10,682)	-	(27,878)
Right-to-use asset - IT subscriptions	(3,519)	(15,227)	-	(18,746)
Total accumulated depreciation/amortization	<u>(27,635,737)</u>	<u>(2,398,709)</u>	<u>160,793</u>	<u>(29,873,653)</u>
Capital assets, net	<u>\$ 35,553,165</u>	<u>\$ 349,154</u>	<u>\$ (965,515)</u>	<u>\$ 34,936,804</u>
Business-Type Activities:				
Cost:				
Capital assets not being depreciated				
Land	\$ 2,216,228	\$ 3,458,685	\$ -	\$ 5,674,913
Construction-in-progress	5,128,975	10,167,147	(7,776,900)	7,519,222
Capital assets being depreciated/amortized				
Utility plant in service	234,365,662	3,098,481	(79,395)	237,384,748
Land improvements	14,982,013	-	-	14,982,013
Buildings	13,431,108	140,876	-	13,571,984
Machinery and equipment	14,302,522	1,003,807	(300,674)	15,005,655
Right-to-use asset - land	4,788,521	-	-	4,788,521
Right-to-use asset - IT subscriptions	106,910	-	-	106,910
Total cost	<u>289,321,939</u>	<u>17,868,996</u>	<u>(8,156,969)</u>	<u>299,033,966</u>
Less accumulated depreciation/amortization:				
Utility plant in service	(120,388,272)	(6,636,166)	79,395	(126,945,043)
Land improvements	(4,410,324)	(483,990)	-	(4,894,314)
Buildings	(1,943,945)	(370,308)	-	(2,314,253)
Machinery and equipment	(8,288,119)	(1,052,953)	288,063	(9,053,009)
Right-to-use asset - land	(284,832)	(141,242)	-	(426,074)
Right-to-use asset - IT subscriptions	(7,655)	(36,100)	-	(43,755)
Total accumulated depreciation/amortization	<u>(135,323,147)</u>	<u>(8,720,759)</u>	<u>367,458</u>	<u>(143,676,448)</u>
Capital assets, net	<u>\$ 153,998,792</u>	<u>\$ 9,148,237</u>	<u>\$ (7,789,511)</u>	<u>\$ 155,357,518</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 5 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Discretely Presented Component Unit				
Cost:				
Capital assets not being depreciated				
Land	\$ 2,756,708	\$ -	\$ -	\$ 2,756,708
Capital assets being depreciated/amortized				
Land improvements	170,364	-	-	170,364
Buildings	968,660	-	-	968,660
Total cost	<u>3,895,732</u>	<u>-</u>	<u>-</u>	<u>3,895,732</u>
Less accumulated depreciation/amortization:				
Land improvements	(61,508)	(36,248)	-	(97,756)
Buildings	(294,444)	(169,940)	-	(464,384)
Total accumulated depreciation/amortization	<u>(355,952)</u>	<u>(206,188)</u>	<u>-</u>	<u>(562,140)</u>
Capital assets, net	<u>\$ 3,539,780</u>	<u>\$ (206,188)</u>	<u>\$ -</u>	<u>\$ 3,333,592</u>

See Note 14 for project commitments.

Depreciation/amortization expense for the year ended December 31, 2024 was charged to expense functions, including the internal service fund allocations, as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 280,929	\$ -
Public safety	583,824	-
Public works	1,175,064	-
Culture and recreation	358,892	-
Electric	-	2,841,306
Gas	-	648,548
Water	-	1,444,005
Sewer	-	2,490,067
Sanitation	-	322,776
Parking, traffic and street lights	-	315,055
Storm Sewer	-	146,184
Swimming Pool	-	512,818
	<u>\$ 2,398,709</u>	<u>\$ 8,720,759</u>

Internal Service Fund Allocation

The capital asset information shown above for governmental activities and business-type activities includes the allocation of capital assets, accumulated depreciation and current year depreciation expense of internal services funds. This allocation is based on the applicable usage of each internal service fund by the governmental activities (29%) and the business-type activities (71%). These allocations changed in 2024 compared to December 31, 2023, thus the beginning balances do not match the previous year financial statements due to reallocating the beginning balance of the internal service funds using the new allocations.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 6 DISAGGREGATED ACCOUNTS PAYABLE

The following details the disaggregated liabilities included in accounts payable and accrued expenses in the financial statements:

	Governmental Activities	Business-Type Activities	Total	
Accounts payable and accrued expenses				
Accounts payable	\$ 230,717	\$ 3,095,060	\$	3,325,777
Accrued interest	67,451	478,548		545,999
Accrued wages and withholdings	222,408	247,366		469,774
Due to other governments	41,520	-		41,520
Total accounts payable and accrued expenses	<u>\$ 562,096</u>	<u>\$ 3,820,974</u>	<u>\$</u>	<u>4,383,070</u>

	Enterprise Funds							Other Enterprise Funds	Total
	Electric Fund	Gas Fund	Water Fund	Sewer Fund	Swimming Pool Fund	Sanitation Fund	Storm Sewer Fund		
Accounts payable and accrued expenses									
Accounts payable	\$ 1,893,566	\$ 717,791	\$ 31,093	\$ 152,240	\$ 1,280	\$ 32,046	\$ 104,309	\$ 11,519	\$ 2,943,844
Accrued interest	100,353	-	58,899	6,159	24,271	151,976	161,077	-	502,735
Accrued wages and withholdings	51,502	23,064	25,408	36,488	1,091	23,050	3,524	6,793	170,920
Total accounts payable and accrued expenses	<u>\$ 2,045,421</u>	<u>\$ 740,855</u>	<u>\$ 115,400</u>	<u>\$ 194,887</u>	<u>\$ 26,642</u>	<u>\$ 207,072</u>	<u>\$ 268,910</u>	<u>\$ 18,312</u>	<u>\$ 3,617,499</u>

	Parking, Traffic and Street Lights Fund	Total Other Enterprise Funds
Accounts payable and accrued expenses		
Accounts payable	\$ 11,519	\$ 11,519
Accrued wages and withholdings	6,793	6,793
Total accounts payable and accrued expenses	<u>\$ 18,312</u>	<u>\$ 18,312</u>

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund	Total Internal Service Funds
Accounts payable and accrued expenses							
Accounts payable	\$ 1,154	\$ 46,845	\$ -	\$ 570	\$ 78,184	\$ 53,933	\$ 180,686
Accrued interest	-	-	-	-	-	118	118
Accrued wages and withholdings	10,951	6,935	1,665	8,087	-	80,276	107,914
Total accounts payable and accrued expenses	<u>\$ 12,105</u>	<u>\$ 53,780</u>	<u>\$ 1,665</u>	<u>\$ 8,657</u>	<u>\$ 78,184</u>	<u>\$ 134,327</u>	<u>\$ 288,718</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 7 LONG-TERM LIABILITIES

The changes in long-term liabilities during the year ended December 31, 2024 were as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Unamortized Bond Premium and Discount	Current Portion	Long-term Portion
Governmental Activities:							
Bonds							
(F) Capital Reserve 2022A GO Bond	\$ 5,775,000	\$ -	\$ -	\$ 5,775,000	\$ 288,013	\$ 13,298	\$ 6,049,715
(E) Recreation Tax 2021A GO Bond	1,008,128	-	(43,296)	964,832	37,717	48,144	954,405
(G) General Fund 2022B GO Bond	1,090,000	-	(220,000)	870,000	14,930	225,689	659,241
Direct Borrowing							
(A) Administrative Services 2017 GO Note	2,355,985	-	(98,959)	2,257,026	-	92,631	2,164,395
Lease liabilities	6,948	13,337	(6,949)	13,336	-	6,560	6,776
IT subscription liabilities	32,357	-	(14,960)	17,397	-	15,422	1,975
Subtotal - bonds, notes, lease, subscription payables	<u>10,268,418</u>	<u>13,337</u>	<u>(384,164)</u>	<u>9,897,591</u>	<u>340,660</u>	<u>401,744</u>	<u>9,836,507</u>
Liability for self-insured losses	108,783	163,156	(165,231)	106,708	-	104,133	2,575
Compensated absences	<u>1,195,344</u>	<u>(24,797)</u> *	<u>-</u>	<u>1,170,547</u>	<u>-</u>	<u>628,939</u>	<u>541,608</u>
Total long-term liabilities	\$ 11,572,545	\$ 151,696	\$ (549,395)	\$ 11,174,846	\$ 340,660	\$ 1,134,816	\$ 10,380,690
Business-Type Activities							
Bonds							
(B) Electric 2019 GO Bond	8,015,000	-	(365,000)	7,650,000	491,473	413,516	7,727,957
(D) Electric 2021 GO Bond	931,433	-	(65,335)	866,098	23,358	67,749	821,707
(H) Electric 2024 GO Bond	-	557,989	-	557,989	13,528	1,274	570,243
(E) Swimming Pool 2021A GO Bond	6,676,872	-	(286,704)	6,390,168	249,798	318,810	6,321,156
(C) Water 2020 GO Bond	6,148,571	-	(258,678)	5,889,893	600,623	308,779	6,181,737
(C) Sanitation 2020 GO Bond	1,576,429	-	(66,322)	1,510,107	147,537	78,757	1,578,887
(D) Sanitation 2021 GO Bond	549,760	-	(38,539)	511,220	13,786	39,963	485,043
(H) Sanitation 2024 GO Bond	-	2,531,242	-	2,531,241	61,366	5,780	2,586,827
(D) Sewer 2021 GO Bond	4,008,806	-	(281,127)	3,727,679	100,526	291,519	3,536,686
(H) Stormsewer 2024 GO Bond	-	6,245,769	-	6,245,769	151,420	14,262	6,382,927
Direct Borrowing							
(A) Administrative Services 2017 GO Note	5,723,524	-	(240,405)	5,483,119	-	225,033	5,258,087
(I) Sanitation 2024 GO Note	-	1,677,057	-	1,677,057	-	5,000	1,672,057
Lease liabilities	4,582,837	-	(100,838)	4,481,999	-	103,017	4,378,982
IT subscription liabilities	70,022	-	(37,208)	32,814	-	32,814	-
Subtotal - bonds, notes, lease, subscription payables	<u>38,283,254</u>	<u>11,012,057</u>	<u>(1,740,156)</u>	<u>47,555,153</u>	<u>1,853,415</u>	<u>1,906,273</u>	<u>47,502,296</u>
Liability for self-insured losses	281,389	379,251	(401,406)	259,234	-	252,977	6,257
Compensated absences	<u>1,332,212</u>	<u>81,024</u> *	<u>-</u>	<u>1,413,236</u>	<u>-</u>	<u>801,708</u>	<u>611,528</u>
Total long-term liabilities	\$ 39,896,855	\$ 11,472,332	\$ (2,141,562)	\$ 49,227,623	\$ 1,853,415	\$ 2,960,958	\$ 48,120,081

* The change in the compensated absences liability is presented as a net change.

The General Fund and Internal Service Funds have been used in prior years to liquidate the liability for compensated absences in the Governmental Activities. In addition to the long-term liabilities listed above, the Borough has a net pension liability and a total OPEB liability. See Note 11 and Note 12 for additional details. The General Fund and the Internal Service Fund have been used in prior years to liquidate the net pension liability and total OPEB liability in the Governmental Activities.

Internal Service Fund Allocation

The liability for self-insured losses and compensated absences information shown above for governmental activities and business-type activities includes the allocation of self-insured losses and compensated absences of internal service funds. This allocation is based on the applicable usage of each internal service fund by the governmental activities (29%) and the business-type activities (71%). These allocations changed in 2024 compared to 2023, thus the beginning balances do not match the previous year financial statements due to reallocating the beginning balance of the internal service funds using the new allocations.

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds and Notes Payable

- (A) **General Obligation Notes – Series of 2017** – On February 17, 2017, the Borough issued a General Obligation Note in the total amount not to exceed \$ 9,750,000 to be used for the purpose of financing the design, construction and equipping of a municipal building annex. The funds will be utilized by the Administrative Services Fund, which is an Internal Service Fund; thus, the debt is allocated between the governmental activities and business-type activities. The Note is interest only for 18 months from the date of issuance, with principal and interest due monthly beginning on September 1, 2018. On March 1, 2022, interest rates were modified to a fixed rate of 2% for a 10 year period ending on March 31, 2032. Following the fixed interest rate period, the interest rate will float at 1 minus the corporate tax rate percentage times the U.S. Prime Rate minus 0.25% with a tax-exempt floor rate of 1.98%, and the tax-exempt ceiling rate of 3.5%. The maturity date of the principal is September 1, 2043, based on the loan being fully drawn.
- (B) **General Obligation Bonds – Series of 2019** – On February 25, 2019, the Borough issued General Obligation Bonds in the amount of \$ 9,315,000 to be used for the purpose of financing various projects, including improvements to electric generation and supply facilities. The Bond requires semiannual principal and interest payments on October 1 and April 1 of each year beginning October 1, 2019 until paid in full in October 2039. The Bonds have a fixed interest rate of 5% through 2023. Thereafter the interest rate is 4%.
- (C) **General Obligation Bonds – Series of 2020** - On January 13, 2020, the Borough issued General Obligation Bonds, Series of 2020 in the amount of \$ 9,050,000 for the purpose of financing various capital projects, including the acquisition of real property for municipal purposes, the addition to the Water Treatment Plant, and various other capital improvement projects. The funds will be utilized by the Water Fund and Sanitation Fund. The Bond requires semiannual interest payments due on April 1, and October 1 of each year, and annual principal payments due on October 1 of each year, beginning October 1, 2020 until paid in full in October 2040. The bonds have a fixed interest rate of 4%.
- (D) **General Obligation Bonds – Series of 2021** – On November 30, 2021 the Borough issued General Obligation Bonds, Series of 2021 in the amount of \$ 6,230,000 for the purpose of refunding the General Outstanding Note, Series of 2012, refunding General Outstanding Note, Series of 2014, and paying the costs to issue the bonds. The funds will be utilized by the Electric, Sanitation, and Sewer funds. The Bond requires semiannual interest payments due on June 1 and December 1 of each year and annual principal payments due on June 1 of each year, beginning June 1, 2022 until paid in full in June 2039. The Bonds have a fixed interest rate of 2.00% through 2037. Thereafter, the interest rate is 2.05%.
- (E) **General Obligation Bonds – Series of 2021 A** – On December 16, 2021, the Borough issued General Obligation Bonds, Series of 2021 A in the amount of \$ 8,335,000 for the purpose of refunding General Obligation Bonds, Series of 2016 and paying the costs. The funds will be utilized by the Recreation Tax Fund and Swimming Pool Fund. The Bond requires semiannual interest payments due on May 1 and November 1 of each year and annual principal payments due on November 1 of each year, beginning November 1, 2022 until paid in full in November 2041. The bonds have a fixed interest rate of 2%.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

- (F) **General Obligation Bonds – Series of 2022A**- On March 3, 2022, the Borough issued General Obligations Bond Series 2022A in amount of \$5,775,000 for the purpose of financing capital projects, including but not limited to buildings and facilities comprising the municipal police station and various other capital improvements and pay the related costs. The Bond requires semiannual interest payments due on March 1 and September 1 of each year. The first interest payment is due on September 1, 2022. The annual principal payments due on September 1 of each year, beginning on September 1, 2028, until September 2046. The bonds have a fixed interest rate of 3%.
- (G) **General Obligation Bonds – Series of 2022B** – On March 3, 2022, the Borough issued General Obligations Bond Series of 2022 B in the amounts of \$ 1,305,000 for the purpose of financing costs related to the purchase, acquisition, and construction of the municipal police station and to pay the related costs of issuing the bond. The Bond requires semiannual interest payments due on March 1 and September 1, with the first payment beginning on September 1, 2022. The Bond requires annual principal payments due on September 1, 2022, until September 2028. The Bond has a fixed interest rate of 2%.
- (H) **General Obligation Bonds – Series of 2024** –On May 14, 2024, the Borough issued General Obligations Bonds, Series of 2024 in the amounts of \$ 9,335,000 for the purpose of financing costs related to the purchase, acquisition, and construction of the public works facility, improvements to storm sewer facilities and electric facilities, various capital improvement projects and pay the related costs of issuing the bond. The Bond requires semiannual interest payments due on February 1 and August 1, with the first payment beginning February 1, 2025. The Bond requires annual principal payments beginning August 1, 2025, until August 2044. The bonds have fixed interest rates of 4% to 5% through 2028.
- (I) **General Obligation Note – Series of 2024** – On May 2, 2024, the Borough issued General Obligation Note, Series of 2024, in the amount of \$ 1,770,000. As of December 31, 2024, the Borough drew on \$1,677,057 for the purpose of financing the acquisition of various properties for the purpose of developing a new public works complex and to pay related expenses. The note requires semiannual interest payments due on February 1 and August 1, with the first payment beginning February 1, 2025. The Note requires annual principal payments beginning August 1, 2025, until August 2034. The Note has a fixed interest rate of 6.25%.

The Borough's bonds and notes contain provisions that in the event of default, all principal of notes and bonds outstanding may be declared or may become due and payable upon conditions provided in the agreements.

The general obligation bonds and general obligation notes are secured by the full faith, credit, and taxing power of the Borough.

Subsequent Event

On February 26, 2025, the Borough issued General Obligation Bonds Series of 2025 in the amount of \$ 9,995,000 for the purpose of planning, designing, engineering, acquiring, constructing, furnishing and equipping the new public works campus. The bonds require semiannual interest payments due on February 1 and August 1, with the first payment beginning August 1, 2025. The bonds require annual principal payments beginning August 1, 2026. The bonds have fixed interest rates ranging from 4% to 5%.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

The following is a schedule by years and in the aggregate of future minimum bond and note principal and interest payments required at December 31, 2024:

	BONDS											
	Electric				Recreation Tax				Swimming Pool		Water	
	Series of 2019 Bond		Series of 2021 Bond		Series of 2024 Bond		Series of 2021A Bond		Series of 2021A Bond		Series of 2020 Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 380,000	\$ 306,000	\$ 66,183	\$ 16,706	\$ 598	\$ 27,859	\$ 45,920	\$ 22,114	\$ 304,080	\$ 146,436	\$ 270,617	\$ 235,596
2026	395,000	290,800	67,032	15,374	14,645	22,920	47,888	19,818	317,112	131,232	278,576	224,772
2027	415,000	275,000	67,880	14,024	15,242	22,188	50,512	17,423	334,488	115,377	290,515	213,628
2028	430,000	258,400	60,244	12,743	15,840	21,426	51,168	16,413	338,832	108,687	302,454	202,008
2029	445,000	241,200	53,456	11,606	16,737	20,634	52,480	15,390	347,520	101,910	314,393	189,910
2030 - 2034	2,525,000	923,000	284,248	41,385	93,845	91,742	278,144	60,771	1,841,856	402,429	1,774,927	750,244
2035 - 2039	3,060,000	376,600	267,055	11,870	221,761	82,260	307,664	31,815	2,037,336	210,685	2,168,913	364,534
2040 - 2044	-	-	-	-	179,321	11,118	131,056	3,949	868,944	26,151	489,498	19,578
2045 - 2047	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 7,650,000</u>	<u>\$ 2,671,000</u>	<u>\$ 866,098</u>	<u>\$ 123,708</u>	<u>\$ 557,989</u>	<u>\$ 300,147</u>	<u>\$ 964,832</u>	<u>\$ 187,693</u>	<u>\$ 6,390,168</u>	<u>\$ 1,242,907</u>	<u>\$ 5,889,893</u>	<u>\$ 2,200,270</u>

	BONDS											
	Sanitation				Sewer				Stormsewer		Capital Reserve	
	Series of 2020 Bond		Series of 2021 Bond		Series of 2024 Bond		Series of 2021 Bond		Series of 2024 Bond		Series of 2022 A Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 69,383	\$ 60,404	\$ 39,039	\$ 9,854	\$ 2,712	\$ 126,378	\$ 284,778	\$ 71,883	\$ 6,691	\$ 311,836	\$ -	\$ 173,250
2026	71,424	57,628	39,540	9,068	66,433	103,974	288,429	66,151	163,922	256,554	-	173,250
2027	74,485	54,772	40,040	8,273	69,145	100,654	292,080	60,346	170,613	248,358	-	173,250
2028	77,546	51,792	35,536	7,517	71,856	97,196	259,221	54,833	177,304	239,828	60,000	173,250
2029	80,607	48,690	31,532	6,846	75,924	93,604	230,013	49,940	187,340	230,962	245,000	171,450
2030 - 2034	455,073	192,356	167,668	24,410	425,715	416,170	1,223,085	178,067	1,050,439	1,026,888	1,330,000	742,950
2035 - 2039	556,087	93,466	157,865	7,002	821,603	300,712	1,150,073	51,079	2,027,283	741,998	1,550,000	531,000
2040 - 2044	125,501	5,020	-	-	997,853	122,886	-	-	2,462,177	303,226	1,800,000	283,500
2045 - 2047	-	-	-	-	-	-	-	-	-	-	790,000	35,700
	<u>\$ 1,510,107</u>	<u>\$ 564,128</u>	<u>\$ 511,220</u>	<u>\$ 72,970</u>	<u>\$ 2,531,241</u>	<u>\$ 1,361,574</u>	<u>\$ 3,727,679</u>	<u>\$ 532,299</u>	<u>\$ 6,245,769</u>	<u>\$ 3,359,650</u>	<u>\$ 5,775,000</u>	<u>\$ 2,457,600</u>

	BONDS				DIRECT BORROWING						
	General Fund		Total		Internal Service		Sanitation Fund		Total		
	Series of 2022 B Bond		Principal	Interest	Series of 2017 Note		Series of 2024 Note		Principal	Interest	
	Principal	Interest			Principal	Interest	Principal	Interest			
2025	\$ 225,000	\$ 17,400	\$ 1,695,001	\$ 1,525,716	2025	\$ 318,247	\$ 154,323	\$ 5,000	\$ 132,476	\$ 323,247	\$ 286,799
2026	230,000	12,900	1,980,001	1,384,441	2026	353,058	147,242	75,000	104,504	428,058	251,746
2027	235,000	8,300	2,055,000	1,311,593	2027	360,284	140,016	169,000	99,816	529,284	239,832
2028	180,000	3,600	2,060,001	1,247,693	2028	367,283	133,017	180,000	89,254	547,283	222,271
2029	-	-	2,080,002	1,182,142	2029	375,175	125,124	191,000	78,004	566,175	203,128
2030 - 2034	-	-	11,450,000	4,850,412	2030 - 2034	1,917,899	702,275	1,057,057	195,391	2,974,956	897,666
2035 - 2039	-	-	14,325,640	2,803,021	2035 - 2039	2,183,290	533,984	-	-	2,183,290	533,984
2040 - 2044	-	-	7,054,350	775,428	2040 - 2044	1,864,909	126,906	-	-	1,864,909	126,906
2045 - 2047	-	-	790,000	35,700	2045-2047	-	-	-	-	-	-
	<u>\$ 870,000</u>	<u>\$ 42,200</u>	<u>\$ 43,489,996</u>	<u>\$ 15,116,146</u>		<u>\$ 7,740,145</u>	<u>\$ 2,062,887</u>	<u>\$ 1,677,057</u>	<u>\$ 699,445</u>	<u>\$ 9,417,202</u>	<u>\$ 2,762,332</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 8 LEASE LIABILITY

The Borough has entered noncancelable leases for the use of land in conjunction with contracts for the purchase of solar energy. In addition, the Borough leases and various equipment. The leases require monthly or yearly principal and interest payments ranging from \$ 583 to \$ 101,609 based on interest rates ranging from 2.00% to 3.25%. The associated right-to-use assets are disclosed in the Capital Asset Footnote. The amounts of maturities for all of the lease liabilities are as follows:

Year ended December 31:	Governmental			Business-type		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 6,560	\$ 440	\$ 7,000	\$ 103,017	\$ 97,347	\$ 200,364
2026	6,776	224	7,000	105,244	95,120	200,364
2027	-	-	-	107,518	92,845	200,363
2028	-	-	-	109,843	90,521	200,364
2029	-	-	-	112,218	88,146	200,364
2030 - 2034	-	-	-	598,559	403,260	1,001,819
2035 - 2039	-	-	-	666,168	335,650	1,001,818
2040 - 2044	-	-	-	741,457	260,362	1,001,819
2045 - 2049	-	-	-	825,300	176,519	1,001,819
2050 - 2054	-	-	-	918,675	83,143	1,001,818
2055 - 2059	-	-	-	194,000	6,789	200,789
	<u>\$ 13,336</u>	<u>\$ 664</u>	<u>\$ 14,000</u>	<u>\$ 4,481,999</u>	<u>\$ 1,729,702</u>	<u>\$ 6,211,701</u>

NOTE 9 IT SUBSCRIPTION LIABILITY

The Borough has entered noncancelable subscription-based information technology arrangements for the use of multiple IT applications. The subscription arrangements require monthly or yearly principal and interest payments ranging from \$ 2,036 to \$ 28,000 based on interest rates ranging from 3.05% to 3.15%. The associated right-to-use assets are disclosed in the Capital Asset Footnote. The amounts of maturities for all of the subscription liabilities are as follows:

Year ended December 31:	Governmental			Business-type		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 15,422	\$ 538	\$ 2,035	\$ 32,814	\$ 1,015	\$ 33,829
2026	1,975	61	2,036	-	-	-
	<u>\$ 17,397</u>	<u>\$ 599</u>	<u>\$ 4,071</u>	<u>\$ 32,814</u>	<u>\$ 1,015</u>	<u>\$ 33,829</u>

NOTE 10 INTERFUND ACTIVITY

Interfund receivables and payables consist of the following at December 31, 2024

	Due From	Due To
Major governmental funds		
General Fund	\$ 216,635	\$ -
Special revenue grant programs	-	216,635
	<u>\$ 216,635</u>	<u>\$ 216,635</u>

Interfund receivables and payables represents the grant programs fund draw on the pooled cash fund utilized by the Borough.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 10 INTERFUND ACTIVITY (CONTINUED)

Interfund transfers consisted of the following during 2024:

	Transfers In	Transfers Out
Major governmental funds		
General fund	\$ 3,864,351	\$ 831,965
Nonmajor governmental funds		
Capital reserve	1,607,042	-
Special revenue grant programs	5,000	-
Special revenue fire tax	-	735,413
Recreation bond tax	-	447,475
Special revenue liquid fuels	-	627,042
Total nonmajor governmental funds	<u>1,612,042</u>	<u>1,809,930</u>
Major proprietary funds		
Electric	10,000	3,297,955
Gas	10,000	1,172,290
Water	-	234,705
Sewer	-	493,941
Swimming Pool	447,475	2,665
Sanitation	235,857	392,292
Storm sewer	-	300,015
Total major proprietary funds	<u>703,332</u>	<u>5,893,863</u>
Nonmajor proprietary funds		
Parking, traffic and street lights	<u>1,100,000</u>	<u>820</u>
Total nonmajor proprietary funds	<u>1,100,000</u>	<u>820</u>
Internal service funds		
Stores	937,000	39,140
Motor equipment	904,593	599,935
Self insurance	98,050	-
Engineering	-	90,415
Worker's compensation	432,710	-
Administrative services	-	386,010
Total internal service funds	<u>2,372,353</u>	<u>1,115,500</u>
Fiduciary funds		
Firemen Pension	1,681	-
Police Pension	15,442	-
Bargaining and administrative	-	17,123
Total pension funds	<u>17,123</u>	<u>17,123</u>
Total	<u>\$ 9,669,201</u>	<u>\$ 9,669,201</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 10 INTERFUND ACTIVITY (CONTINUED)

During the year, the Borough made transfers between funds for a number of reasons. The list below summarizes the more significant transfers:

- Transfers to the General Fund for contributions towards general operations.
- Transfers to the Self Insurance Fund and Workers Compensation Fund to establish reserves for future claims.
- Transfers from tax funds to other funds for debt service and capital purchases.
- Transfer to capital reserve fund to establish reserves for future capital improvements.
- Transfer of debt proceeds to capital reserve fund to be used for capital improvements.

NOTE 11 PENSION PLANS

Summary of Significant Accounting Policies

Plan Description

The Borough sponsors three single-employer defined benefit retirement plans which cover Bargaining and Administrative Employees, Police Officers and Paid Firemen. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth.

Plan Membership

At December 31, 2024, the participation in each plan is as follows:

	Bargaining and Administrative Employees	Police	Firemen
Participants:			
Retirees and beneficiaries	102	35	19
Vested former members	20	1	1
Active employees	<u>153</u>	<u>36</u>	<u>28</u>
Total	<u>275</u>	<u>72</u>	<u>48</u>

Benefits Provided

All regular full-time and certain part-time employees are eligible to participate in the plans. Benefits vest after twelve years of service for Bargaining and Administrative Employees, Paid Firemen and Police Officers. Bargaining and Administrative Employees are eligible for normal retirement after attaining age sixty-three and ten years of service. Eligibility for normal retirement under the Police Officers and Paid Firemen plans is attained at age fifty and completion of twenty-five years of service. Benefits under the Bargaining and Administrative Employees plan are based on 1.5% of average monthly pay times the number of years of service not to exceed thirty-five years. Average monthly pay is based on the three years of highest pay out of the last five years of employment. Benefits under the Police Officers and Paid Firemen pensions are based on 50% of average monthly pay during

NOTE 11 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Benefits Provided (Continued)

the last thirty-six months and the average monthly pay of the three highest years of compensation, respectively. In addition, police officers receive a service increment equal to \$ 100 per month for members who complete 26 or more years of benefit service. The Bargaining and Administrative Employees Plan and the Police Officers Plan also include a disability benefit and survivor benefits. If a police member retires on or after January 1, 2000, or a fireman retires on or after January 1, 2008, an annual cost-of-living adjustment is made to his pension equal to the percentage increase in the Consumer Price Index for the preceding calendar year, with a maximum total cost-of-living increase of 30%, and a maximum pension benefit of 75% of the salary used for computing the initial retirement benefit.

Financial Reports

There are no separate, audited GAAP basis pension plan reports for the defined benefit plans, as all necessary information is disclosed herein.

Contributions

The Bargaining and Administrative Employees plan requires employee contributions of 6.0%. The Police Officers plan requires employee contributions of 4.25%. The Firemen plan requires employee contributions of 5%. The Borough is required to contribute the remaining amounts necessary to fund the plans, using the actuarial basis specified by the plan. The average contribution rate was 7.52% of annual payroll for the Bargaining and Administrative Employees, 24.57% of annual payroll for the Police Officers, and 22.91% of annual payroll for the Paid Firemen. The employer contributions for 2024 were \$ 881,440 for the Bargaining and Administrative Employees, \$ 714,084 for the Police Officers, and \$ 594,373 for the Paid Firemen.

Act 205 of the Commonwealth requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation is based upon the biennial actuarial valuation also required by Act 205. Employees are not required to contribute under Act 205; such contributions are subject to collective bargaining. The Commonwealth allocates foreign fire and casualty premiums to assist in pension funding. Any financial requirement above the Commonwealth allocation must be funded by the Borough.

Administrative costs, including investment services, custodial trustee and actuarial services are charged to the appropriate plan and funded from investment earnings.

Investments

Method Used to Value Investments

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Fair value is determined by quoted market price.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 11 PENSION PLANS (CONTINUED)

Investments (Continued)

Rate of Return

For the year ended December 31, 2024, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense was 10.5% for the bargaining and administrative plan, 10.5% police officers plan, and 10.2% paid firemen plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On December 31, 2024 the Borough reported a liability of \$ 15,566,588 in the Statement of Net Position. The net pension liability was measured as of December 31, 2024, and the total pension liability was determined by rolling forward liabilities from an actuarial valuation as of January 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. For the year ended December 31, 2024, the Borough recognized pension expense of \$ 2,800,945. This included pension expense of \$ 1,010,068 for the Bargaining and Administrative Employees, \$ 1,003,596 for the Police Officers, and \$ 787,281 for the Paid Firemen.

The following details the changes in total pension liability, the plan fiduciary net position, and the net pension liability, for the year ended December 31, 2024:

Bargaining and Administrative Employees

	Increase (Decrease)			Plan Fiduciary Net Position as a % of Total Pension Liability
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)	
Balances as of December 31, 2023	\$ 35,674,187	\$ 27,226,429	\$ 8,447,758	76.32%
Changes for the year:				
Service cost	847,760	-	847,760	
Interest	2,844,417	-	2,844,417	
Contributions - employer	-	881,440	(881,440)	
Contributions - employee	-	731,757	(731,757)	
Net investment income	-	2,842,801	(2,842,801)	
Benefit payments, including refunds of member contributions	(1,940,389)	(1,940,389)	-	
Administrative expenses	-	(16,675)	16,675	
Net changes	1,751,788	2,498,934	(747,146)	
Balances as of December 31, 2024	\$ 37,425,975	\$ 29,725,363	\$ 7,700,612	79.42%

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 11 PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

Police

	<u>Increase (Decrease)</u>			Plan Fiduciary Net Position as a % of Total Pension Liability
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)	
Balances as of December 31, 2023	\$ 20,173,002	\$ 15,350,624	\$ 4,822,378	76.09%
Changes for the year:				
Service cost	458,132	-	458,132	
Interest	1,595,431	-	1,595,431	
Contributions - employer	-	714,084	(714,084)	
Contributions - employee	-	186,065	(186,065)	
Net investment income	-	1,585,631	(1,585,631)	
Benefit payments, including refunds of member contributions	(1,349,943)	(1,349,943)	-	
Administrative expenses	-	(9,750)	9,750	
Net changes	<u>703,620</u>	<u>1,126,087</u>	<u>(422,467)</u>	
Balances as of December 31, 2024	<u>\$ 20,876,622</u>	<u>\$ 16,476,711</u>	<u>\$ 4,399,911</u>	78.92%

Firemen

	<u>Increase (Decrease)</u>			Plan Fiduciary Net Position as a % of Total Pension Liability
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)	
Balances as of December 31, 2023	\$ 14,018,922	\$ 10,219,611	\$ 3,799,311	72.90%
Changes for the year:				
Service cost	347,055	-	347,055	
Interest	1,125,642	-	1,125,642	
Contributions - employer	-	594,373	(594,373)	
Contributions - employee	-	167,506	(167,506)	
Net investment income	-	1,051,989	(1,051,989)	
Benefit payments, including refunds of member contributions	(588,476)	(588,476)	-	
Administrative expenses	-	(7,925)	7,925	
Net changes	<u>884,221</u>	<u>1,217,467</u>	<u>(333,246)</u>	
Balances as of December 31, 2024	<u>\$ 14,903,143</u>	<u>\$ 11,437,078</u>	<u>\$ 3,466,065</u>	76.74%

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 11 PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources

At December 31, 2024 the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bargaining and Administrative Employees		Police		Firemen		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,199,206	\$ 47,600	\$ 54,286	\$ 408,529	\$ 220,409	\$ 456,129	\$ 2,473,901
Net difference between projected and actual earnings on pension plan investments	937,779		580,997	-	357,652	-	1,876,428	-
Changes in proportions - governmental activities/business-type activities	118,514	118,514	-	-	-	-	118,514	118,514
Changes in assumptions	148,655	-	-	-	-	-	148,655	-
	<u>\$ 1,204,948</u>	<u>\$ 2,317,720</u>	<u>\$ 628,597</u>	<u>\$ 54,286</u>	<u>\$ 766,181</u>	<u>\$ 220,409</u>	<u>\$ 2,599,726</u>	<u>\$ 2,592,415</u>

The amounts reported as deferred outflows of resources and inflows of resources will be recognized in pension expense as follows:

	Bargaining and Administrative Employees	Police	Firemen	Total
Year ended December 31:				
2025	\$ 382,921	\$ 383,289	\$ 362,378	\$ 1,128,588
2026	566,562	514,120	438,705	1,519,387
2027	(695,565)	(226,368)	(84,000)	(1,005,933)
2028	(353,101)	(85,871)	(76,851)	(515,823)
2029	(217,515)	(10,859)	(31,487)	(259,861)
Thereafter	(796,074)	-	(62,973)	(859,047)
	<u>\$ (1,112,772)</u>	<u>\$ 574,311</u>	<u>\$ 545,772</u>	<u>\$ 7,311</u>

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.00% (average, including inflation)
Investment rate of return	8.00% (including inflation)
Postretirement cost of living increases	3.00% (except general, which is N/A)

Valuation Date

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

The actuarial assumptions used in the January 1, 2023 valuation were based on an actual experience study for the period January 1, 2021 through December 31, 2022.

NOTE 11 PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Rate of Return

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) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the investment committee. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2024 are summarized in the table below and is applicable to all three plans:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.50%	5.50% - 7.50%
International equity	16.50%	4.50% - 6.50%
Fixed income	30.00%	1.00% - 3.00%
Real estate	3.00%	4.50% - 6.50%
Cash	5.00%	0.00% -1.00%

Discount Rate

The discount rate used to measure the total pension liability was 8.00% for all three plans. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. 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. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability.

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

The following represents the net pension liability of the Borough, calculated using the discount rate of 8.00%, as well as what the Borough's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) and 1 percentage point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Bargaining and Administrative Employees	\$ 11,534,742	\$ 7,700,612	\$ 4,394,528
Police Plan	6,759,681	4,399,911	2,410,372
Firemen Plan	4,981,244	3,466,065	1,789,628
	<u>\$ 23,275,667</u>	<u>\$ 15,566,588</u>	<u>\$ 8,594,528</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 11 PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Financial Statements

The following are financial statements as of December 31, 2024 for the individual pension plans maintained by the Borough:

	Firemen Pension Fund	Police Pension Fund	Bargaining and Administrative Employees Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 862,636	\$ 907,973	\$ 1,327,447	\$ 3,098,056
Mutual funds - Corporate bonds	3,613,197	5,223,705	9,586,808	18,423,710
Mutual funds - Stocks	5,102,151	7,582,120	13,787,379	26,471,650
Mutual funds - Real estate securities	1,859,096	2,762,913	5,023,729	9,645,738
Total assets	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>
NET POSITION				
Net position restricted for pensions	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>
Total liabilities and net position	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>
ADDITIONS				
Contributions				
Employer	\$ 594,373	\$ 714,084	\$ 881,440	\$ 2,189,897
Plan member	165,479	170,445	745,409	1,081,333
Transfer in	1,681	15,442	-	17,123
Total contributions	<u>761,533</u>	<u>899,971</u>	<u>1,626,849</u>	<u>3,288,353</u>
Investment income				
Net appreciation in fair value of investments and gains on sale of investments	808,599	1,237,630	2,216,720	4,262,949
Interest, dividends and other	253,534	367,120	660,704	1,281,358
Total net investment earnings	<u>1,062,133</u>	<u>1,604,750</u>	<u>2,877,424</u>	<u>5,544,307</u>
Total additions	<u>1,823,666</u>	<u>2,504,721</u>	<u>4,504,273</u>	<u>8,832,660</u>
DEDUCTIONS				
Benefits	585,680	1,350,430	1,938,300	3,874,410
Administrative expenses	20,517	28,204	49,916	98,637
Transfer out	-	-	17,123	17,123
Total deductions	<u>606,197</u>	<u>1,378,634</u>	<u>2,005,339</u>	<u>3,990,170</u>
Change in net position	1,217,469	1,126,087	2,498,934	4,842,490
Net position - beginning	<u>10,219,611</u>	<u>15,350,624</u>	<u>27,226,429</u>	<u>52,796,664</u>
Net position - ending	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>

Payables to the Pension Plan

As of December 31, 2024, the Borough had no payables to the pension plan.

NOTE 11 PENSION PLANS (CONTINUED)

Defined Contribution Plan

Effective January 1, 2016, the Borough amended the pension plan for non-uniform employees to add a defined contribution provision. If hired on or before January 1, 2023, to participate in the defined contribution plan, employees (or new hires who have completed their probationary period), must elect to participate. Once a participant elects to participate in the defined contribution plan, the election is irrevocable, and the participant shall remain in the defined contribution plan until terminated. If hired after January 1, 2023, an employee who elects to participate under the defined contribution provisions of the plan will become enrolled with a start date of the date of the conversion. Other than an initial contribution for those participants with less than 12 years of service, there are no required employee contributions to the defined contribution plan. An employee may make voluntary contributions. Employer contributions are made on an annual basis in the amount of \$ 4,900 for full-time defined contribution employees and \$ 2,450 for part-time defined contribution employees. Contributions to the defined contribution plan amounted to \$ 116,008 for 2024.

NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The Borough has a healthcare plan for retired employees, which is a single employer defined benefit healthcare plan administered by the Borough. The plan provides medical, prescription drug, and vision coverage for both the retiree and spouse. Retirees opting to participate are asked to pay a premium that is less than the Borough's actual cost to provide health care coverage to retirees. The premium amount retirees pay is a blended rate for covering both active and retired Plan members and amounts to 102% of the Borough's current blended premium rate. The fact that the blended rate that the retirees pay is less than the actual cost of covering retired members and their beneficiaries results in what is known as an "implicit rate subsidy" by the Borough, which gives rise to the other postemployment benefit (OPEB).

Because the Plan consists solely of the Borough's decision to provide OPEB through the payment of the implied subsidy by extending medical benefits to retirees at the above-mentioned blended rate, no stand-alone financial report is available. The Plan is not included in the financial report of another entity. The coverage shall discontinue if the retiree obtains employment where medical coverage is provided, the retiree's spouse insurance coverage covers the retiree, or the retiree qualifies for Medicare coverage.

Eligibility

An employee of the Borough shall be eligible for coverage upon retirement after completion of 20 years of service. The spouse of the retiree may be included in the coverage.

Funding Policy

The Borough funds Plan liabilities on a "pay-as-you-go" basis and has not established an OPEB trust fund to accumulate assets to fund Plan obligations. The Borough has no statutory or contractual obligation to fund the Plan and only does so at the Borough's discretion. The Borough funds the implicit rate subsidy through the payment of health insurance premiums.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Plan Membership

Membership in the Borough’s plan consisted of the following at January 1, 2023, the date of the latest actuarial valuation:

	Bargaining and Administrative	Police	Firemen	Total
Active participants	183	36	28	247
Retired partiants	2	-	-	2
Total	185	36	28	249

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

The Borough’s total OPEB liability was measured as of January 1, 2023 using an actuarial valuation based on census information as of January 1, 2023. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At December 31, 2024, the Borough reported a total OPEB liability of \$ 1,820,422.

The table below summarizes the OPEB liability and OPEB expense:

	Total OPEB Liability	OPEB Expense (Benefit)
Bargaining and administrative	\$ 278,730	\$ (114,735)
Police	880,226	26,245
Firemen	661,466	28,870
	\$ 1,820,422	\$ (59,620)

Changes in the Total OPEB Liability

	Total OPEB Liability			
	Bargaining and Administrative	Police	Firemen	Total
Beginning Balance	\$ 257,291	\$ 746,954	\$ 568,161	\$ 1,572,406
Changes for the year:				
Service cost	16,549	59,099	43,020	118,668
Interest	11,468	34,741	26,257	72,466
Changes in assumptions	7,742	39,432	27,666	74,840
Benefit payments	(14,320)	-	(3,638)	(17,958)
Net changes	21,439	133,272	93,305	248,016
Ending Balance	\$ 278,730	\$ 880,226	\$ 661,466	\$ 1,820,422

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Changes in the Total OPEB Liability

At December 31, 2024, the Borough report deferred outflows of resources and deferred inflows of resources related to OPEB:

	Bargaining and Administrative Employees		Police		Firemen		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,375,846	\$ -	\$ 601,808	\$ -	\$ 431,792	\$ -	\$ 2,409,446
Changes in assumptions	28,571	62,934	132,534	178,578	99,243	120,002	260,348	361,514
Changes in proportions - governmental activities/ business-type activities	18,975	18,975	-	-	-	-	18,975	18,975
Benefit payments/contributions subsequent to the measurement date	22,615	-	2,382	-	8,640	-	33,637	-
	<u>\$ 70,161</u>	<u>\$ 1,457,755</u>	<u>\$ 134,916</u>	<u>\$ 780,386</u>	<u>\$ 107,883</u>	<u>\$ 551,794</u>	<u>\$ 312,960</u>	<u>\$ 2,789,935</u>

The amount of \$ 33,637 is reported as deferred outflows of resources related to OPEB resulting from Borough benefit payments/contributions subsequent to the measurement date but before the end of the Borough's reporting period and will be recognized as a reduction in the total OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	Bargaining and Administrative Employees	Police	Firemen	Total
Year ended December 31:				
2025	\$ (142,752)	\$ (67,595)	\$ (40,407)	\$ (250,754)
2026	(142,752)	(67,595)	(40,407)	(250,754)
2027	(142,752)	(67,595)	(40,407)	(250,754)
2028	(142,752)	(67,595)	(40,407)	(250,754)
2029	(142,752)	(67,595)	(40,407)	(250,754)
Thereafter	<u>(696,447)</u>	<u>(309,877)</u>	<u>(250,518)</u>	<u>(1,256,842)</u>
Total	<u>\$ (1,410,207)</u>	<u>\$ (647,852)</u>	<u>\$ (452,553)</u>	<u>\$ (2,510,612)</u>

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial Methods and Assumptions

The total OPEB liability as of December 31, 2024, was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry age normal
Investment Rate of Return	4.00% - S&P Municipal Bond 20 Year High Grade Rate Index
Salary	An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, annual salary increases are assumed to be 5.0%.
Mortality	IRS 2017 Static Combined Table for Small Plans
Percentage of Eligible Employees Electing Coverage in Plan	It is assumed that upon retirement, 25% elect coverage. It is assumed that if coverage is deferred, 0% will elect coverage at a future date.
Health Care Cost Trend Rate	7% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Per Capita Claims Cost	The per capita cost for medical and prescription drugs is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. The resulting costs for the Police Officers and Firefighters range from \$ 4,975 to \$ 27,103 for males and from \$ 11,200 to \$ 25,262 for females; and for the Bargaining and Administrative employees range from \$ 2,972 to \$ 16,189 for males and from \$ 6,690 to \$ 15,090 for females.

Discount Rate

A discount rate of 4.00%, which represents the S&P Municipal Bond 20 Year High Grade Rate Index at January 1, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease	Current	1% Increase
	3.00%	Discount Rate	5.00%
		4.00%	
Bargaining and administrative	\$ 293,866	\$ 278,730	\$ 264,142
Police	982,761	880,226	788,494
Fire	730,895	661,466	599,252
	<u>\$ 2,007,522</u>	<u>\$ 1,820,422</u>	<u>\$ 1,651,888</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liabilities of the Borough, as well as what the Borough's OPEB liabilities would be if it were calculated using the healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost	1% Increase
		Trend Rate	
Bargaining and administrative	\$ 253,582	\$ 278,730	\$ 308,103
Police	753,658	880,226	1,031,716
Firemen	577,500	661,466	761,756
	<u>\$ 1,584,740</u>	<u>\$ 1,820,422</u>	<u>\$ 2,101,575</u>

Payables to the OPEB Plan

As of December 31, 2024, the Borough had no amounts payable to the OPEB plan.

NOTE 13 RISK MANAGEMENT

The Borough is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has established a Self-Insurance Fund and a Workmen's Compensation Fund (internal service funds), respectively, to account for and finance its uninsured risks of loss. The Self-Insurance Fund services all general liability, medical, directors' and officers' liability, and unemployment compensation claims for risk of loss. The Workmen's Compensation Fund provides coverage up to a maximum of \$ 500,000 for each worker's compensation claim. The Borough has purchased workmen's compensation insurance for claims in excess of coverage provided by the Fund, and also has purchased vehicle insurance and employee bonding coverage. Settlements have not exceeded insurance coverage for each of the past three years.

The general fund, all enterprise funds, and all internal service funds (except the Insurance Funds) participate in the program and make payments to the Self-Insurance and Workmen's Compensation Funds (Insurance Funds) based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 13 RISK MANAGEMENT (CONTINUED)

Insurance Fund liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are computed under actuarial formulas and include an amount for claims that have been incurred but not reported.

Changes in the general and workers' compensation claims liability amounts for the prior two years were:

		2024			
	Liability	Current Year		Liability	
	Beginning	Claims and	Claim Payments	Ending	
		Changes in			
		Estimates			
Self-insurance fund	\$ 62,477	\$ -	\$ (6,662)	\$ 55,815	
Workers' compensation fund	303,471	436,997	(430,341)	310,127	

		2023			
	Liability	Current Year		Liability	
	Beginning	Claims and	Claim Payments	Ending	
		Changes in			
		Estimates			
Self-insurance fund	\$ 70,826	\$ -	\$ (8,349)	\$ 62,477	
Workers' compensation fund	291,919	322,743	(311,191)	303,471	

The Borough is part of the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). This trust consists of a group of municipalities that have pooled their interests together in order to establish a self-funded medical insurance plan in order to better control insurance rates. The Borough pays a premium to PMHIC that consists of a portion for actual claim expenses, administrative costs, reinsurance costs and a reserve account. At year end, the actual claims of the Borough are reviewed, and the reserve account is used to fund any excess claims for the Borough over premiums paid during the year. If any funds remain in the reserve account, 15% of the total reserve balance could possibly be used to fund claim overages for the trust. A reinsurance policy is used to pay any additional excess claims. Therefore, the expense recognized by the Borough is limited to the premiums paid during the year. Any potential refund of the reserve account is calculated and received by the Borough several months after year end. Total payments by the Borough to PMHIC during the year were \$ 6,054,102. During 2024, the Borough received \$ 632,518 from PMHIC as a refund for prior premiums paid.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 14 COMMITMENTS

Projects

The Borough has open construction related commitments as of December 31, 2024 as follows:

Project Description	General and Capital Reserve	Electric	Water	Sewer	Storm Sewer	Total Comittments
Construction	\$ 448,699	\$ 240,206	\$ 39,332	\$ 107,059	\$ 559,218	\$ 1,394,514
Totals	\$ 448,699	\$ 240,206	\$ 39,332	\$ 107,059	\$ 559,218	\$ 1,394,514

Subsequent Events

In 2025, there is an anticipated future commitment related to the construction of the public works campus. The total estimated amount of this commitment is \$ 19,687,300.

Gas Supply Contract

The Borough has a Gas Supply Contract with the Municipal Gas Authority of Georgia (“MGAG”) through December 31, 2040. Under the terms of the contract, the Borough is obligated to pay MGAG the costs of gas supplies provided to the Borough and costs allocated to the Borough under the Annual Authority Budget and Project Cost Projections based on the Borough’s indemnity share percentage. The annual price paid by the Borough to MGAG is intended to cover the Borough’s share of aforementioned costs of MGAG, including scheduled debt service costs. In addition, the Authority is obligated not to suspend or discontinue any payments provided in the contract, until all obligations of the Authority for the furtherance of providing services to the Borough, have been fully paid. As of December 31, 2024, The Borough is contingently liable for the respective indemnity share of MGAG’s debt in the amount of \$ 1,788,933.

NOTE 15 CONDUIT DEBT OBLIGATIONS

From time to time, the Chambersburg Area Municipal Authority has issued Revenue Notes to provide financial assistance to local not-for-profit organizations. Banks agree to loan the funds (via purchasing the Revenue Notes) to the entities, and the Municipal Authority assigns all rights, title, and interest in, and all sums payable by the entities to the banks. The notes are fully secured by the properties financed and are payable solely from resources of the entities that ultimately receive the financing. The Municipal Authority is not obligated in any manner for repayment of the debt. Consequently, this debt and the corresponding mortgages receivable are not reflected in these financial statements.

As of December 31, 2024 outstanding note balances under conduit debt arrangements were as follows:

Wilson College	\$ 34,500,000
Coyle Free Library	2,596,862

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 16 CONTINGENCIES

The Borough is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the Borough. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the Borough.

The Borough is involved with various lawsuits in the normal course of operations. In most cases, management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Management believes that losses resulting from these matters, if any, would be substantially covered under the Borough's professional liability insurance policy and would not have a material effect on the financial position of the Borough.

NOTE 17 RESTATEMENTS

During the year ended December 31, 2024, the Borough adopted GASB Standard Statement No. 101, *Compensated Absences*. Implementation of the new standard changed the Borough's compensated absences liability measurement related to their employee's accrued vacation and sick liability. Implementation of the new standard impacted the current and noncurrent compensated absences line item of the Government-wide and the Proprietary fund statements of net position. This change in accounting principle also impacted the General Government, Public Safety, Public Works, and Culture and Recreation expense line items for governmental activities and all expense line items for business-type activities on the government wide Statement of Activities.

For the Proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Position it impacts the Customer Accounting and Administrative expense line item.

During the year ended December 31, 2024, the Borough had a change within the financial reporting entity, which saw the Capital Reserve fund being presented as non-major in the current year and the Sanitation and Storm sewer funds as being presented as major within the financial statements.

During the year ended December 31, 2024, the Borough had a restatement for a correction due to an error in recording accounts receivable in the prior year. Accounts receivable/receivables, net was understated by \$ 68,415 in the Water Fund and Business- Type Activities during the year ended December 31, 2023. Other non-operating expenses in the Water Fund and Water expenses in the Business-Type Activities were overstated by \$ 68,415 for the year ended December 31, 2023.

BOROUGH OF CHAMBERSBURG
Notes to Financial Statements

NOTE 17 RESTATEMENTS (CONTINUED)

As of December 31, 2024, the Borough had the following restatements:

	Governmental Activities	Business-Type Activities
Net position, as previously reported - December 31, 2023	\$ 27,957,797	\$ 156,208,580
Adoption of GASB 101	(244,515)	(229,676)
Error correction	-	68,415
Net position, as restated - December 31, 2023	<u>\$ 27,713,282</u>	<u>\$ 156,047,319</u>

	Capital Reserve Fund	Other Governmental Funds	Electric Fund	Gas Fund	Water	Sewer	Swimming Pool	Sanitation	Storm Sewer	Other Enterprise Fund (Parking)
Fund balance or net positions, as previously reported - December 31, 2023	\$ 5,750,401	\$ 1,401,513	\$ 36,766,051	\$ 19,312,231	\$ 20,532,280	\$ 46,849,474	\$ 552,746	\$ -	\$ -	\$ 15,101,666
Change within the reporting entity	(5,750,401)	5,750,401	-	-	-	-	-	1,556,491	7,110,398	(8,666,889)
Adoption of GASB 101	-	-	(65,592)	(29,061)	(42,338)	(17,250)	(615)	(7,485)	(1,463)	(5,489)
Error Correction	-	-	-	-	68,415	-	-	-	-	-
Fund balance or net positions, as restated - December 31, 2023	<u>\$ -</u>	<u>\$ 7,151,914</u>	<u>\$ 36,700,459</u>	<u>\$ 19,283,170</u>	<u>\$ 20,558,357</u>	<u>\$ 46,832,224</u>	<u>\$ 552,131</u>	<u>\$ 1,549,006</u>	<u>\$ 7,108,935</u>	<u>\$ 6,429,288</u>

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund
Net positions, as previously reported - December 31, 2023	\$ 2,249,166	\$ 15,400,497	\$ 7,443,794	\$ (453,090)	\$ 283,721	\$ (2,201,597)
Adoption of GASB 101	(2,852)	(7,446)	(251)	(11,045)	(29,833)	(28,835)
Net position, as restated - December 31, 2023	<u>\$ 2,246,314</u>	<u>\$ 15,393,051</u>	<u>\$ 7,443,543</u>	<u>\$ (464,135)</u>	<u>\$ 253,888</u>	<u>\$ (2,230,432)</u>

	Business-Type Activities	Water Fund
Change in net position, as previously reported - December 31, 2023	\$ 660,926	\$ 220,959
Error correction	68,415	68,415
Change in net position, as restated - December 31, 2023	<u>\$ 729,341</u>	<u>\$ 289,374</u>

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF CHAMBERSBURG
Pension Trust Funds
Schedule of Changes in the Borough's Net Pension Liability and Related Ratios

	Bargaining and Administrative									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 847,760	\$ 783,400	\$ 838,021	\$ 791,184	\$ 708,303	\$ 674,574	\$ 706,701	\$ 673,049	\$ 599,855	\$ 571,290
Interest	2,844,417	2,710,235	2,627,962	2,503,957	2,404,053	2,293,277	2,236,377	2,130,695	2,003,723	1,918,151
Benefit changes	-	1,523,897	-	-	-	-	-	-	-	-
Differences in expected and actual experience	-	(2,121,789)	-	(246,248)	-	(630,039)	-	(950,893)	-	58,932
Changes in assumptions	-	-	-	-	-	-	-	1,338,876	-	-
Benefit payments, including refunds of member contributions	(1,940,389)	(1,809,279)	(1,797,595)	(1,768,180)	(1,630,521)	(1,604,895)	(1,534,429)	(1,498,326)	(1,456,871)	(1,439,849)
Net change in total pension liability	1,751,788	1,086,464	1,668,388	1,280,713	1,481,835	732,917	1,408,649	1,693,401	1,146,707	1,108,524
Total pension liability - beginning	35,674,187	34,587,723	32,919,335	31,638,622	30,156,787	29,423,870	28,015,221	26,321,820	25,175,113	24,066,589
Total pension liability - ending	37,425,975	35,674,187	34,587,723	32,919,335	31,638,622	30,156,787	29,423,870	28,015,221	26,321,820	25,175,113
Plan fiduciary net position										
Contributions - employer	881,440	872,504	832,796	852,497	818,752	790,605	588,100	641,491	727,254	699,463
Contributions - employee	731,757	693,464	637,859	628,306	646,823	573,617	544,244	490,416	395,820	358,759
Net investment income	2,842,801	3,287,876	(4,035,173)	3,179,565	2,838,707	3,470,476	(1,363,327)	2,478,738	1,660,559	(360,956)
Benefit payments, including refunds of member contributions	(1,940,389)	(1,809,279)	(1,797,595)	(1,768,180)	(1,630,521)	(1,604,895)	(1,534,429)	(1,498,326)	(1,456,871)	(1,439,849)
Administrative expenses	(16,675)	(18,650)	(12,000)	(22,600)	(40,062)	(14,402)	(24,200)	-	(34,206)	(11,500)
Net change in plan fiduciary net position	2,498,934	3,025,915	(4,374,113)	2,869,588	2,633,699	3,215,401	(1,789,612)	2,112,319	1,292,556	(754,083)
Plan fiduciary net position - beginning	27,226,429	24,200,514	28,574,627	25,705,039	23,071,340	19,855,939	21,645,551	19,533,232	18,240,676	18,994,759
Plan fiduciary net position - ending	\$ 29,725,363	\$ 27,226,429	\$ 24,200,514	\$ 28,574,627	\$ 25,705,039	\$ 23,071,340	\$ 19,855,939	\$ 21,645,551	\$ 19,533,232	\$ 18,240,676
Borough's net pension liability	\$ 7,700,612	\$ 8,447,758	\$ 10,387,206	\$ 4,344,708	\$ 5,933,583	\$ 7,085,447	\$ 9,567,931	\$ 6,369,670	\$ 6,788,588	\$ 6,934,437
Plan fiduciary net position as a percentage of the total pension liability	79.42%	76.33%	69.96%	86.80%	81.25%	76.50%	67.48%	77.26%	74.21%	72.46%
Covered payroll	\$ 11,725,056	\$ 12,091,516	\$ 11,065,997	\$ 10,245,357	\$ 10,927,744	\$ 9,981,412	\$ 9,329,734	\$ 8,932,704	\$ 8,975,023	\$ 9,251,503
Net pension liability as a percentage of covered payroll	65.68%	69.87%	93.87%	42.41%	54.30%	70.99%	102.55%	71.31%	75.64%	74.95%

Notes

Assumption changes:

In 2017, mortality rates were modified from the RP 2000 Table for males and females to the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvements.

Changes in benefit terms:

Effective January 1, 2016, employees have the option to elect to participate under the defined contribution provisions of the plan.

Effective January 1, 2023, Normal retirement age for Bargaining and Administrative plan was decreased to age 63. Vesting occurs upon completion of 10 years of vesting service.

BOROUGH OF CHAMBERSBURG
Pension Trust Funds
Schedule of Changes in the Borough's Net Pension Liability and Related Ratios
(Continued)

	Police									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 458,132	\$ 393,521	\$ 364,345	\$ 345,733	\$ 373,770	\$ 355,971	\$ 360,774	\$ 343,594	\$ 363,426	\$ 346,120
Interest	1,595,431	1,544,725	1,498,256	1,445,074	1,386,018	1,331,639	1,275,351	1,224,345	1,134,506	1,077,560
Benefit changes	-	-	-	-	-	-	-	-	-	-
Differences in expected and actual experience	-	(76,001)	-	77,510	-	57,526	-	15,785	-	(153,499)
Changes in assumptions	-	-	-	-	-	-	-	472,617	-	(161,076)
Benefit payments, including refunds of member contributions	(1,349,943)	(1,319,078)	(1,195,900)	(1,090,728)	(1,051,405)	(999,917)	(970,587)	(924,511)	(762,502)	(695,818)
Net change in total pension liability	703,620	543,167	666,701	777,589	708,383	745,219	665,538	1,131,830	735,430	413,287
Total pension liability - beginning	20,173,002	19,629,835	18,963,134	18,185,545	17,477,162	16,731,943	16,066,405	14,934,575	14,199,145	13,785,858
Total pension liability - ending	20,876,622	20,173,002	19,629,835	18,963,134	18,185,545	17,477,162	16,731,943	16,066,405	14,934,575	14,199,145
Plan fiduciary net position										
Contributions - employer	714,084	744,542	680,435	690,371	615,582	599,096	514,380	505,579	509,013	498,970
Contributions - employee	186,065	119,341	118,301	106,657	117,321	106,974	105,082	94,940	103,248	141,981
Net investment income	1,585,631	1,856,854	(2,346,284)	1,853,420	1,659,087	2,096,525	(827,347)	1,518,697	1,011,059	(212,275)
Benefit payments, including refunds of member contributions	(1,349,943)	(1,319,078)	(1,195,900)	(1,090,728)	(1,051,405)	(999,917)	(970,587)	(924,511)	(762,502)	(695,818)
Administrative expenses	(9,750)	(12,500)	(9,100)	(14,800)	(25,664)	(8,300)	(15,400)	-	(8,200)	(8,900)
Net change in plan fiduciary net position	1,126,087	1,389,159	(2,752,548)	1,544,920	1,314,921	1,794,378	(1,193,872)	1,194,705	852,618	(276,042)
Plan fiduciary net position - beginning	15,350,624	13,961,465	16,714,013	15,169,093	13,854,172	12,059,794	13,253,666	12,058,961	11,206,343	11,482,385
Plan fiduciary net position - ending	\$ 16,476,711	\$ 15,350,624	\$ 13,961,465	\$ 16,714,013	\$ 15,169,093	\$ 13,854,172	\$ 12,059,794	\$ 13,253,666	\$ 12,058,961	\$ 11,206,343
Borough's net pension liability	\$ 4,399,911	\$ 4,822,378	\$ 5,668,370	\$ 2,249,121	\$ 3,016,452	\$ 3,622,990	\$ 4,672,149	\$ 2,812,739	\$ 2,875,614	\$ 2,992,802
Plan fiduciary net position as a percentage of the total pension liability	78.92%	76.12%	71.12%	88.14%	83.41%	79.27%	72.08%	82.49%	80.75%	78.92%
Covered payroll	\$ 2,905,827	\$ 2,812,947	\$ 2,566,906	\$ 2,592,275	\$ 2,363,039	\$ 2,451,633	\$ 2,318,880	\$ 2,288,652	\$ 2,384,793	\$ 2,266,039
Net pension liability as a percentage of covered payroll	151.42%	171.44%	220.82%	86.76%	127.65%	147.78%	201.48%	122.90%	120.58%	132.07%

Notes

Assumption changes:

In 2015, for the Police plan, the inflation rate was lowered from 4% to 3% to more closely estimate the future inflation rate.

In 2017, mortality rates were modified from the RP 2000 Table for males and females to the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect morality improvements.

BOROUGH OF CHAMBERSBURG
Pension Trust Funds
Schedule of Changes in the Borough's Net Pension Liability and Related Ratios
(Continued)

	Firemen									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 347,055	\$ 317,447	\$ 310,846	\$ 296,813	\$ 286,637	\$ 272,988	\$ 220,967	\$ 210,445	\$ 186,435	\$ 177,557
Interest	1,125,642	1,057,401	997,093	930,958	817,554	753,303	652,898	607,259	561,371	525,937
Benefit changes	-	188,583	-	-	-	-	-	76,888	-	-
Differences in expected and actual experience	-	(283,383)	-	612,745	-	583,695	-	(274,630)	-	(56,915)
Changes in assumptions	-	-	-	-	-	-	-	249,908	-	(75,778)
Benefit payments, including refunds of member contributions	(588,476)	(498,947)	(444,249)	(387,613)	(231,499)	(242,115)	(266,906)	(248,583)	(252,187)	(286,689)
Net change in total pension liability	884,221	781,101	863,690	1,452,903	872,692	1,367,871	606,959	621,287	495,619	284,112
Total pension liability - beginning	14,018,922	13,237,821	12,374,131	10,921,227	10,048,535	8,680,664	8,073,705	7,452,418	6,956,799	6,672,687
Total pension liability - ending	14,903,143	14,018,922	13,237,821	12,374,131	10,921,227	10,048,535	8,680,664	8,073,705	7,452,418	6,956,799
Plan fiduciary net position										
Contributions - employer	594,373	586,209	491,078	492,055	382,766	370,371	296,801	289,652	286,496	299,092
Contributions - employee	167,506	124,922	127,882	176,522	129,166	114,283	111,255	88,617	81,310	62,716
Net investment income	1,051,989	1,187,944	(1,434,736)	1,092,684	954,728	1,101,994	(428,422)	718,183	462,584	(101,931)
Benefit payments, including refunds of member contributions	(588,476)	(498,947)	(444,249)	(387,613)	(231,499)	(242,115)	(266,906)	(248,583)	(252,187)	(286,689)
Administrative expenses	(7,925)	(4,600)	(6,100)	(14,100)	(17,634)	(6,700)	(11,800)	(3,241)	(4,600)	(6,500)
Net change in plan fiduciary net position	1,217,467	1,395,528	(1,266,125)	1,359,548	1,217,527	1,337,833	(299,072)	844,628	573,603	(33,312)
Plan fiduciary net position - beginning	10,219,611	8,824,083	10,090,208	8,730,659	7,513,132	6,175,299	6,474,371	5,629,743	5,056,140	5,089,452
Plan fiduciary net position - ending	\$ 11,437,078	\$ 10,219,611	\$ 8,824,083	\$ 10,090,208	\$ 8,730,659	\$ 7,513,132	\$ 6,175,299	\$ 6,474,371	\$ 5,629,743	\$ 5,056,140
Borough's net pension liability	\$ 3,466,065	\$ 3,799,313	\$ 4,413,738	\$ 2,283,923	\$ 2,190,568	\$ 2,535,403	\$ 2,505,365	\$ 1,599,334	\$ 1,822,675	\$ 1,900,659
Plan fiduciary net position as a percentage of the total pension liability	76.74%	72.91%	66.66%	81.54%	79.94%	74.77%	71.14%	80.19%	75.54%	72.68%
Covered payroll	\$ 2,594,135	\$ 2,565,714	\$ 2,621,614	\$ 2,701,307	\$ 2,720,122	\$ 2,285,719	\$ 2,340,947	\$ 1,875,428	\$ 1,642,257	\$ 1,577,331
Net pension liability as a percentage of covered payroll	133.61%	148.08%	168.36%	84.55%	80.53%	110.92%	107.02%	85.28%	110.99%	120.50%

Notes

Assumption changes:

In 2015, for the Firemen's plan, the inflation rate was lowered from 4% to 3% to more closely estimate the future inflation rate.

In 2017, mortality rates were modified from the RP 2000 Table for males and females to the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect morality improvements.

Changes in benefit terms:

Effective January 1, 2016, employees have the option to elect to participate under the defined contribution provisions of the plan.

Effective January 1, 2023, a disability retirement provisions has been added to the Firemen's plan.

BOROUGH OF CHAMBERSBURG
Pension Trust Funds
Schedule of Borough Contributions

Bargaining and Administrative

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 881,440	\$ 872,504	\$ 832,796	\$ 852,497	\$ 804,359	\$ 790,605	\$ 588,100	\$ 641,491	\$ 727,254	\$ 699,463
Contributions in relation to the actuarially determined contribution	881,440	872,504	832,796	852,497	818,752	790,605	588,100	641,491	727,254	699,463
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (14,393)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,725,056	\$ 12,091,516	\$ 11,065,997	\$ 10,245,357	\$ 10,927,744	\$ 9,981,412	\$ 9,329,734	\$ 8,932,704	\$ 8,975,023	\$ 9,251,503
Contributions as a percentage of covered payroll	7.52%	7.22%	7.53%	8.32%	7.49%	7.92%	6.30%	7.18%	8.10%	7.56%

Police

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 714,084	\$ 744,542	\$ 680,435	\$ 690,371	\$ 598,082	\$ 599,096	\$ 514,380	\$ 505,579	\$ 509,013	\$ 498,970
Contributions in relation to the actuarially determined contribution	714,084	744,542	680,435	690,371	615,582	599,096	514,380	505,579	509,013	498,970
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (17,500)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,905,827	\$ 2,812,947	\$ 2,566,906	\$ 2,592,275	\$ 2,363,039	\$ 2,451,633	\$ 2,318,880	\$ 2,288,652	\$ 2,384,793	\$ 2,266,039
Contributions as a percentage of covered payroll	24.57%	26.47%	26.51%	26.63%	26.05%	24.44%	22.18%	22.09%	21.34%	22.02%

Firemen

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 594,373	\$ 586,209	\$ 491,078	\$ 492,055	\$ 382,766	\$ 370,371	\$ 296,801	\$ 289,652	\$ 286,496	\$ 299,092
Contributions in relation to the actuarially determined contribution	594,373	586,209	491,078	492,055	382,766	370,371	296,801	289,652	286,496	299,092
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,594,135	\$ 2,565,714	\$ 2,621,614	\$ 2,701,307	\$ 2,720,122	\$ 2,285,719	\$ 2,340,947	\$ 1,875,428	\$ 1,642,257	\$ 1,577,331
Contributions as a percentage of covered payroll	22.91%	22.85%	18.73%	18.22%	14.07%	16.20%	12.68%	15.44%	17.45%	18.96%

Notes

Valuation date:

Actuarially determined contributions rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates including changes in actuarial assumptions:

Actuarial valuation date	1/1/2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Amortization period	Bargaining and administrative - 7 years Police - 8years Firemen - 7 years

Asset valuation method The actuarial value of assets from the prior valuation report (reduced for benefits paid and increased for contributions) is projected forward at an artificial investment return of 7.00% (interest rate assumption minus 1%) with a corridor of 80% to 120% of market value.

Inflation	3.00%
Salary increases	5.00%
Investment rate of return	8.00%
Retirement age	General - Attainment of Age 63 and completion of 10 years of vesting service Police - Attainment of Age 53 and completion of 25 years of vesting service Firemen - Attainment of age 50 and completion of 25 years of vesting service

Mortality Mortality rates were based on the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvements.

BOROUGH OF CHAMBERSBURG
Pension Trust Funds
Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Bargaining and Administrative	10.5%	13.7%	(14.3%)	12.5%	13.1%	17.8%	(6.3%)	13.1%	9.4%	(1.9%)
Police	10.5%	13.5%	(14.4%)	12.5%	12.8%	17.9%	(6.3%)	13.1%	9.3%	(1.9%)
Firemen	10.2%	13.2%	(14.2%)	12.5%	12.1%	17.9%	(6.3%)	13.1%	9.6%	(1.0%)

BOROUGH OF CHAMBERSBURG**Schedule of Changes in the Borough's Total OPEB Liability and Related Ratios**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 118,668	\$ 687,266	\$ 681,508	\$ 605,426	\$ 547,532	\$ 566,033	\$ 506,544
Interest	72,466	88,125	63,476	111,510	98,982	101,444	96,399
Differences between expected and actual experience	-	(1,355,621)	-	(966,528)	-	(1,050,103)	-
Changes in assumptions	-	(267,118)	(50,326)	101,388	59,519	(25,620)	13,388
Changes of Benefit Terms	74,840	(766,839)	-	-	-	-	-
Benefit payments	(17,958)	(93,469)	(48,045)	(73,015)	(50,431)	(80,600)	(44,178)
Net changes	<u>248,016</u>	<u>(1,707,656)</u>	<u>646,613</u>	<u>(221,219)</u>	<u>655,602</u>	<u>(488,846)</u>	<u>572,153</u>
Total OPEB liability - beginning	<u>1,572,406</u>	<u>3,280,062</u>	<u>2,633,449</u>	<u>2,854,668</u>	<u>2,199,066</u>	<u>2,687,912</u>	<u>2,115,759</u>
Total OPEB liability - ending	<u>\$ 1,820,422</u>	<u>\$ 1,572,406</u>	<u>\$ 3,280,062</u>	<u>\$ 2,633,449</u>	<u>\$ 2,854,668</u>	<u>\$ 2,199,066</u>	<u>\$ 2,687,912</u>
Covered-employee payroll	Unavailable	\$ 17,939,632	Unavailable	\$ 17,294,646	Unavailable	\$ 15,216,312	\$ 13,819,599
Total OPEB liability as a percentage of covered employee payroll	N/A	8.76%	N/A	15.23%	N/A	14.45%	19.45%

Notes

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

No assets are accumulated in a trust that meets the criteria of GASB standards to pay related benefits for the OPEB plan.

N/A = Not available

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - General Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 9,618,380	\$ 9,876,635	\$ 258,255
Licenses and permits	469,700	450,778	(18,922)
Fines and forfeits	130,000	121,781	(8,219)
Interest earnings and unrealized investment gains (losses)	330,000	323,139	(6,861)
Intergovernmental	1,499,050	1,507,363	8,313
Departmental charges for services	3,622,030	4,234,915	612,885
Miscellaneous	255,600	239,978	(15,622)
Total revenues	<u>15,924,760</u>	<u>16,754,589</u>	<u>829,829</u>
EXPENDITURES			
General government	2,976,930	2,469,764	507,166
Police department	6,238,476	6,275,529	(37,053)
Emergency services	6,135,720	5,804,258	331,462
Planning and zoning	1,002,845	890,383	112,462
Highways	1,486,940	1,483,301	3,639
Culture and recreation	1,448,220	1,460,225	(12,005)
Community development	469,399	311,557	157,842
Total expenditures	<u>19,758,530</u>	<u>18,695,017</u>	<u>1,063,513</u>
Excess (deficiency) of revenues over expenditures	<u>(3,833,770)</u>	<u>(1,940,428)</u>	<u>1,893,342</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,865,735	3,864,351	(1,384)
Transfers out	(31,965)	(831,965)	(800,000)
Total other financing sources and uses	<u>3,833,770</u>	<u>3,032,386</u>	<u>(801,384)</u>
Net change in fund balance	<u>\$ -</u>	1,091,958	<u>\$ 1,091,958</u>
Fund balance - beginning		<u>2,292,686</u>	
Fund balance - ending		<u>\$ 3,384,644</u>	

OTHER SUPPLEMENTARY INFORMATION

BOROUGH OF CHAMBERSBURG
Other Governmental Funds and Capital Reserve Fund

Capital Reserve Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

Grant Programs Fund – This fund (special revenue fund) is used to account for the proceeds of specific revenue sources from grants used to finance specific activities as required by law or administrative regulation obtained by the Borough for the governmental activities.

Liquid Fuels Fund – This fund (special revenue fund) is used to account for the Borough’s share of Liquid Fuels funds disbursed by the Commonwealth of Pennsylvania. The funds are legally restricted to the construction and maintenance of Borough streets and bridges.

Fire Tax Fund – This fund (special revenue fund) is used to account for the fire tax collected by the Borough. The funds are legally restricted to pay for fire related services.

Police Station Bond Tax Fund – This fund (special revenue fund) is used to account for tax revenue related to the new police station.

Recreation Bond Tax Fund – This fund (special revenue fund) is used to account for real estate tax revenue used primarily for recreational purposes. The funds are legally restricted to pay for recreation related services.

Citizen’s Reward Fund – This fund (special revenue fund) is used to account for contributions from private citizens for the purpose of rewarding police informants for their assistance in solving crime. The funds are restricted to pay for the police related services.

BOROUGH OF CHAMBERSBURG
Combining Balance Sheet - Other Governmental Funds
December 31, 2024

	Special Revenue							Total - Other Governmental Funds
	Capital Reserve Fund	Grant Programs Fund	Liquid Fuels Fund	Fire Tax Fund	Police Station Bond Tax Fund	Recreation Bond Tax Fund	Citizen's Reward Fund	
ASSETS								
Cash and equity in pooled cash and investments	\$ 6,084,456	\$ -	\$ 742,600	\$ 12,617	\$ 114,118	\$ 371,585	\$ 11,523	\$ 7,336,899
Taxes receivable, net	-	-	-	33,544	21,741	27,480	-	82,765
Receivable from other governments	3,200,000	435,885	-	-	-	-	-	3,635,885
Other receivables	200,101	90,679	-	-	-	-	39	290,819
Total assets	<u>\$ 9,484,557</u>	<u>\$ 526,564</u>	<u>\$ 742,600</u>	<u>\$ 46,161</u>	<u>\$ 135,859</u>	<u>\$ 399,065</u>	<u>\$ 11,562</u>	<u>\$ 11,346,368</u>
LIABILITIES								
Accounts payable	\$ 9,852	-	-	-	-	7	-	9,859
Due to other funds	-	216,635	-	-	-	-	-	216,635
Unearned revenues	-	92,285	-	-	-	-	-	92,285
Total liabilities	<u>9,852</u>	<u>308,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>318,779</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows of resources	80,000	432,208	-	20,715	13,250	15,582	-	561,755
Total deferred inflows of resources	<u>80,000</u>	<u>432,208</u>	<u>-</u>	<u>20,715</u>	<u>13,250</u>	<u>15,582</u>	<u>-</u>	<u>561,755</u>
FUND BALANCES								
Restricted	9,394,705	-	742,600	25,446	122,609	383,476	11,562	10,680,398
Unassigned	-	(214,564)	-	-	-	-	-	(214,564)
Total fund balances	<u>9,394,705</u>	<u>(214,564)</u>	<u>742,600</u>	<u>25,446</u>	<u>122,609</u>	<u>383,476</u>	<u>11,562</u>	<u>10,465,834</u>
Total liabilities and fund balances	<u>\$ 9,484,557</u>	<u>\$ 526,564</u>	<u>\$ 742,600</u>	<u>\$ 46,161</u>	<u>\$ 135,859</u>	<u>\$ 399,065</u>	<u>\$ 11,562</u>	<u>\$ 11,346,368</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Other
Governmental Funds
Year Ended December 31, 2024

	Special Revenue							Total - Other Governmental Funds
	Capital Reserve Fund	Grant Programs Fund	Liquid Fuels Fund	Fire Tax Fund	Police Station Bond Tax Fund	Recreation Bond Tax Fund	Citizen's Reward Fund	
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ 717,383	\$ 424,723	\$ 534,664	\$ -	\$ 1,676,770
Interest earnings and unrealized investment gains	119,095	3,457	54,442	24,692	9,833	30,059	536	242,114
Intergovernmental	3,120,000	97,733	613,668	-	-	-	-	3,831,401
Miscellaneous	117,437	22,491	-	-	-	-	-	139,928
Total revenues	<u>3,356,532</u>	<u>123,681</u>	<u>668,110</u>	<u>742,075</u>	<u>434,556</u>	<u>564,723</u>	<u>536</u>	<u>5,890,213</u>
EXPENDITURES								
General government	19,029	-	-	-	-	-	-	19,029
Police department	183,110	44,737	-	-	-	-	-	227,847
Emergency services	-	31,952	-	-	-	-	-	31,952
Culture and recreation	75,080	280,875	-	-	-	92	-	356,047
Public works	974,742	-	-	-	-	-	-	974,742
Community	-	217,910	-	-	-	-	-	217,910
Debt service	-	-	-	-	414,712	67,564	-	482,276
Miscellaneous	67,309	-	-	-	1,293	-	-	68,602
Total expenditures	<u>1,319,270</u>	<u>575,474</u>	<u>-</u>	<u>-</u>	<u>416,005</u>	<u>67,656</u>	<u>-</u>	<u>2,378,405</u>
Excess (deficiency) of revenues over expenditures	<u>2,037,262</u>	<u>(451,793)</u>	<u>668,110</u>	<u>742,075</u>	<u>18,551</u>	<u>497,067</u>	<u>536</u>	<u>3,511,808</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	1,607,042	5,000	-	-	-	-	-	1,612,042
Transfers out	-	-	(627,042)	(735,413)	-	(447,475)	-	(1,809,930)
Total other financing sources and uses	<u>1,607,042</u>	<u>5,000</u>	<u>(627,042)</u>	<u>(735,413)</u>	<u>-</u>	<u>(447,475)</u>	<u>-</u>	<u>(197,888)</u>
Net change in fund balances	3,644,304	(446,793)	41,068	6,662	18,551	49,592	536	3,313,920
Fund balances - as previously reported	-	232,229	701,532	18,784	104,058	333,884	11,026	1,401,513
Adjustment- changes from major fund to nonmajor fund	5,750,401	-	-	-	-	-	-	5,750,401
Fund balances - December 31, 2023, as adjusted	<u>5,750,401</u>	<u>232,229</u>	<u>701,532</u>	<u>18,784</u>	<u>104,058</u>	<u>333,884</u>	<u>11,026</u>	<u>7,151,914</u>
Fund balances - December 31 2024	<u>\$ 9,394,705</u>	<u>\$ (214,564)</u>	<u>\$ 742,600</u>	<u>\$ 25,446</u>	<u>\$ 122,609</u>	<u>\$ 383,476</u>	<u>\$ 11,562</u>	<u>\$ 10,465,834</u>

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - Capital Reserve Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Interest earnings and unrealized investment gains	\$ 125,000	\$ 119,095	\$ (5,905)
Intergovernmental	500,000	3,120,000	2,620,000
Miscellaneous	-	117,437	117,437
Total revenues	<u>625,000</u>	<u>3,356,532</u>	<u>2,731,532</u>
EXPENDITURES			
General government	500,000	19,029	480,971
Highways	1,456,970	974,742	482,228
Public Safety	519,000	183,110	335,890
Culture and recreation	143,000	75,080	67,920
Miscellaneous	-	67,309	(67,309)
Total expenditures	<u>2,618,970</u>	<u>1,319,270</u>	<u>1,299,700</u>
Excess (deficiency) of revenues over expenditures	<u>(1,993,970)</u>	<u>2,037,262</u>	<u>4,031,232</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	795,100	1,607,042	811,942
Transfers out	(4,500)	-	4,500
Total other financing sources and uses	<u>790,600</u>	<u>1,607,042</u>	<u>816,442</u>
Net change in fund balance	<u>\$ (1,203,370)</u>	3,644,304	<u>\$ 4,847,674</u>
Fund balance - beginning		<u>5,750,401</u>	
Fund balance - ending		<u>\$ 9,394,705</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - Special Revenue Fund – Grant Programs
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Interest earnings and unrealized investment gains	\$ 3,000	\$ 3,457	\$ 457
Intergovernmental	2,835,119	97,733	(2,737,386)
Miscellaneous	3,720	22,491	18,771
Total revenues	<u>2,841,839</u>	<u>123,681</u>	<u>(2,718,158)</u>
EXPENDITURES (by department)			
Public safety			
Police department	10,000	44,737	(34,737)
Fire department	35,000	31,952	3,048
Culture and recreation	7,200	280,875	(273,675)
Community development	2,795,139	217,910	2,577,229
Total expenditures	<u>2,847,339</u>	<u>575,474</u>	<u>2,271,865</u>
Excess (deficiency) of revenues over expenditures	<u>(5,500)</u>	<u>(451,793)</u>	<u>(446,293)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	9,500	5,000	(4,500)
Total other financing sources and uses	<u>9,500</u>	<u>5,000</u>	<u>(4,500)</u>
Net change in fund balance	<u>\$ 4,000</u>	(446,793)	<u>\$ (450,793)</u>
Fund balance - beginning		<u>232,229</u>	
Fund balance - ending		<u>\$ (214,564)</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - Special Revenue Fund - Liquid Fuels
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Interest earnings and unrealized investment gains	\$ 10,000	\$ 54,442	\$ 44,442
Intergovernmental	<u>605,100</u>	<u>613,668</u>	<u>8,568</u>
Total revenues	<u>615,100</u>	<u>668,110</u>	<u>53,010</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>615,100</u>	<u>668,110</u>	<u>53,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(615,100)</u>	<u>(627,042)</u>	<u>(11,942)</u>
Total other financing sources and uses	<u>(615,100)</u>	<u>(627,042)</u>	<u>(11,942)</u>
Net change in fund balance	<u>\$ -</u>	41,068	<u>\$ 41,068</u>
Fund balance - beginning		<u>701,532</u>	
Fund balance - ending		<u>\$ 742,600</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule – Special Revenue Fund –
Fire Tax Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 652,235	\$ 717,383	\$ 65,148
Interest earnings and unrealized investment gains	<u>3,500</u>	<u>24,692</u>	<u>21,192</u>
Total revenues	<u>655,735</u>	<u>742,075</u>	<u>86,340</u>
EXPENDITURES			
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>655,735</u>	<u>742,075</u>	<u>86,340</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(655,735)</u>	<u>(735,413)</u>	<u>(79,678)</u>
Total other financing sources and uses	<u>(655,735)</u>	<u>(735,413)</u>	<u>(79,678)</u>
Net change in fund balance	<u>\$ -</u>	6,662	<u>\$ 6,662</u>
Fund balance - beginning		<u>18,784</u>	
Fund balance - ending		<u>\$ 25,446</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - Special Revenue Fund -
Police Station Bond Tax Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Interest earnings and unrealized investment gains	\$ 2,500	\$ 9,833	\$ 7,333
Taxes	<u>433,310</u>	<u>424,723</u>	<u>(8,587)</u>
Total revenues	<u>435,810</u>	<u>434,556</u>	<u>(1,254)</u>
EXPENDITURES			
Debt service	\$ 415,050	\$ 414,712	\$ 338
Miscellaneous	<u>20,760</u>	<u>1,293</u>	<u>19,467</u>
Total expenditures	<u>435,810</u>	<u>416,005</u>	<u>19,805</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>18,551</u>	<u>18,551</u>
Net change in fund balance	<u>\$ -</u>	18,551	<u>\$ 18,551</u>
Fund balance - beginning		<u>104,058</u>	
Fund balance - ending		<u>\$ 122,609</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule - Special Revenue Fund -
Recreation Bond Tax Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 542,015	\$ 534,664	\$ (7,351)
Interest earnings and unrealized investment gains	<u>6,000</u>	<u>30,059</u>	<u>24,059</u>
Total revenues	<u>548,015</u>	<u>564,723</u>	<u>16,708</u>
EXPENDITURES			
Culture and recreation	32,960	92	32,868
Debt service	<u>67,580</u>	<u>67,564</u>	<u>16</u>
Total expenditures	<u>100,540</u>	<u>67,656</u>	<u>32,884</u>
Excess (deficiency) of revenues over expenditures	<u>447,475</u>	<u>497,067</u>	<u>49,592</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(447,475)</u>	<u>(447,475)</u>	<u>-</u>
Total other financing sources and uses	<u>(447,475)</u>	<u>(447,475)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	49,592	<u>\$ 49,592</u>
Fund balance - beginning		<u>333,884</u>	
Fund balance - ending		<u>\$ 383,476</u>	

BOROUGH OF CHAMBERSBURG
Budgetary Comparison Schedule – Special Revenue Fund –
Citizen’s Reward Fund
Year Ended December 31, 2024

	Original/Final Budget	Actual (Budgetary/ GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES			
Contributions from citizens	\$ 200	\$ -	\$ (200)
Interest earnings and unrealized investment gains	<u>100</u>	<u>536</u>	<u>436</u>
Total revenues	<u>300</u>	<u>536</u>	<u>236</u>
EXPENDITURES			
Rewards paid for crime information	<u>250</u>	<u>-</u>	<u>250</u>
Total expenditures	<u>250</u>	<u>-</u>	<u>250</u>
Net change in fund balance	<u>\$ 50</u>	536	<u>\$ 486</u>
Fund balance - beginning		<u>11,026</u>	
Fund balance - ending		<u>\$ 11,562</u>	

OTHER ENTERPRISE FUNDS

BOROUGH OF CHAMBERSBURG
Other Enterprise Funds

Parking, Traffic and Street Lights Fund – This fund is used to account for financial resources to be used for the regulation and control of vehicle parking, traffic, and streetlights throughout the Borough.

BOROUGH OF CHAMBERSBURG
Combining Statement of Net Position - Other Enterprise Funds
December 31, 2024

	Parking, Traffic and Street Lights Fund	Total Other Enterprise Funds
ASSETS		
Current assets		
Cash and equity in pooled cash and investments	\$ 1,512,106	\$ 1,512,106
Accounts receivable, net	72,821	72,821
Receivables from other governments	46,801	46,801
Other receivables	507,157	507,157
Total current assets	<u>2,138,885</u>	<u>2,138,885</u>
Noncurrent assets		
Capital assets not being depreciated:		
Land	531,219	531,219
Construction in progress	131,879	131,879
Capital assets being depreciated:		
Improvements other than buildings	563,894	563,894
Machinery and equipment	420,979	420,979
Utility plant in service	7,370,459	7,370,459
Less accumulated depreciation	<u>(4,069,803)</u>	<u>(4,069,803)</u>
Total capital assets	<u>4,948,627</u>	<u>4,948,627</u>
Total noncurrent assets	<u>4,948,627</u>	<u>4,948,627</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources	<u>58,961</u>	<u>58,961</u>
Total deferred outflows of resources	<u>58,961</u>	<u>58,961</u>
Total assets and deferred outflows of resources	<u>\$ 7,146,473</u>	<u>\$ 7,146,473</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 18,312	\$ 18,312
Compensated absences - current	24,198	24,198
OPEB liability - current	604	604
Total current liabilities	<u>43,114</u>	<u>43,114</u>
Noncurrent liabilities		
Compensated absences	20,891	20,891
Net pension liability	217,157	217,157
OPEB liability	6,838	6,838
Total non-current liabilities	<u>244,886</u>	<u>244,886</u>
Total liabilities	<u>288,000</u>	<u>288,000</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	<u>573,390</u>	<u>573,390</u>
Total deferred inflows of resources	<u>573,390</u>	<u>573,390</u>
NET POSITION		
Net investment in capital assets	4,947,799	4,947,799
Unrestricted	<u>1,337,284</u>	<u>1,337,284</u>
Total net position	<u>6,285,083</u>	<u>6,285,083</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,146,473</u>	<u>\$ 7,146,473</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Revenues, Expenses, and Changes in Net Position -
Other Enterprise Funds
Year Ended December 31, 2024

	Parking, Traffic and Street Lights Fund	(Formerly Non-Major) Sanitation Fund	(Formerly Non-Major) Stormwater Fund	Total Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 120,552	\$ -	\$ -	\$ 120,552
Miscellaneous	137,995	-	-	137,995
Total operating revenues	<u>258,547</u>	<u>-</u>	<u>-</u>	<u>258,547</u>
OPERATING EXPENSES				
Operation and maintenance	1,069,077	-	-	1,069,077
Customer accounting and administrative	215,496	-	-	215,496
Depreciation	502,841	-	-	502,841
Total operating expenses	<u>1,787,414</u>	<u>-</u>	<u>-</u>	<u>1,787,414</u>
Operating income (loss)	<u>(1,528,867)</u>	<u>-</u>	<u>-</u>	<u>(1,528,867)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings and unrealized investment gains (losses)	72,311	-	-	72,311
Other nonoperating revenues	22,359	-	-	22,359
Intergovernmental revenues	24,354	-	-	24,354
Total nonoperating revenue (expenses)	<u>119,024</u>	<u>-</u>	<u>-</u>	<u>119,024</u>
Income (loss) before transfers	<u>(1,409,843)</u>	<u>-</u>	<u>-</u>	<u>(1,409,843)</u>
Capital contributions and grants	166,458	-	-	166,458
Transfers in	1,100,000	-	-	1,100,000
Transfers out	(820)	-	-	(820)
Change in net position	<u>(144,205)</u>	<u>-</u>	<u>-</u>	<u>(144,205)</u>
Total net position - beginning, as previously report	<u>6,434,777</u>	<u>1,556,491</u>	<u>7,110,398</u>	<u>15,101,666</u>
Restatements	<u>(5,489)</u>	<u>(1,556,491)</u>	<u>(7,110,398)</u>	<u>(8,672,378)</u>
Total net position - beginning, as restated	<u>6,429,288</u>	<u>-</u>	<u>-</u>	<u>6,429,288</u>
Total net position - ending	<u>\$ 6,285,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,285,083</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Cash Flows - Other Enterprise Funds
Year Ended December 31, 2024

	Parking, Traffic and Street Lights Fund	Total Other Enterprise Funds
Cash flows from operating activities:		
Receipts from customers	\$ 234,038	\$ 234,038
Payments to suppliers	(948,106)	(948,106)
Payments to and on behalf of employees	(311,431)	(311,431)
Net cash provided (used) by operating activities	<u>(1,025,499)</u>	<u>(1,025,499)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(124,852)	(124,852)
Capital grants received	124,229	124,229
Proceeds from lessor transactions	32,304	32,304
Net cash provided (used) by capital and related financing activities	<u>31,681</u>	<u>31,681</u>
Cash flows from non-capital financing activities:		
Transfers from other funds	1,100,000	1,100,000
Transfer to other funds	(820)	(820)
Grants received	24,354	24,354
Net cash provided (used) by non-capital financing activities	<u>1,123,534</u>	<u>1,123,534</u>
Cash flows from investing activities:		
Interest and dividends received	27,499	27,499
Net cash provided (used) by investing activities	<u>27,499</u>	<u>27,499</u>
Net increase (decrease) in cash and cash equivalents	157,215	157,215
Increase (decrease) in fair value of investments (*)	32,502	32,502
Total increase (decrease) in cash and cash equivalents	<u>189,717</u>	<u>189,717</u>
Cash and cash equity in pooled cash and investments - beginning of the year	<u>1,322,389</u>	<u>1,322,389</u>
Cash and cash equity in pooled cash and investments - end of the year	<u>\$ 1,512,106</u>	<u>\$ 1,512,106</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities		
Operating income (loss)	\$ (1,528,867)	\$ (1,528,867)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense	502,841	502,841
Miscellaneous nonoperating income	1,720	1,720
(Increase) decrease in:		
Accounts receivable	(16,497)	(16,497)
Lease receivable	10,905	10,905
Increase (decrease) in:		
Accounts payable and accrued expenses	2,238	2,238
Net pension liability and related deferred outflows and inflows	25,537	25,537
Net OPEB liability and related deferred outflows and inflows	(2,738)	(2,738)
Deferred inflows- leases	(20,638)	(20,638)
Net cash provided (used) by operating activities	<u>\$ (1,025,499)</u>	<u>\$ (1,025,499)</u>
Non-cash investing, capital and non-capital financing activities		
Increase (decrease) in fair value of investments (*)	\$ 32,502	\$ 32,502

(*) Cash and equity in pooled cash and investments includes various investments held by the Borough. The increase (decrease) in fair value of investments represents the unrealized gain (loss) on these investments.

BOROUGH OF CHAMBERSBURG

Internal Service Funds

Stores Fund – The Stores Department is responsible for the purchase, storage, and disbursal of inventory which is used to support the construction and maintenance functions of the Borough utilities.

Motor Equipment Fund – This fund supports the activities of the Motor Equipment Department which manages a rolling stock of more than 120 vehicles.

Self-Insurance Fund – This fund is used for the purpose of funding risk which the Borough does not transfer to commercial insurance carriers or insurance pools.

Engineering Fund – This fund supports the activities of the Engineering Department which is responsible for furnishing engineering, surveying, drafting, and utility location information to other departments. The department also designs and inspects public works projects.

Worker’s Compensation – This fund underwrites the risks to the Borough resulting from job-related injury or illness to its employees.

Administrative Services Fund – Administrative Services is responsible for the complete financial and utility meter reading, as well as the operation and maintenance of Borough Hall. This fund also includes the Finance Department.

BOROUGH OF CHAMBERSBURG
Combining Statement of Net Position - Internal Service Funds
December 31, 2024

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund	Total Internal Service Funds
ASSETS							
Current assets							
Cash and equity in pooled cash and investments	\$ 935,036	\$ 11,071,502	\$ 7,616,738	\$ 181,549	\$ 398,352	\$ 277,623	\$ 20,480,800
Accounts receivable, net	-	1,233	-	-	-	13,700	14,933
Other receivables	2,467	29,168	368,542	470	1,057	-	401,704
Inventories	1,586,566	142,631	-	-	-	-	1,729,197
Prepaid expenses	1,094	1,173	-	-	-	-	2,267
Total current assets	<u>2,525,163</u>	<u>11,245,707</u>	<u>7,985,280</u>	<u>182,019</u>	<u>399,409</u>	<u>291,323</u>	<u>22,628,901</u>
Noncurrent assets							
Capital assets not being depreciated/amortized:							
Land	-	13,984	-	-	-	-	13,984
Construction in progress	-	-	-	-	-	657,821	657,821
Capital assets being depreciated/amortized):							
Buildings and system	-	149,948	-	-	-	9,993,500	10,143,448
Improvements other than buildings	-	24,356	-	-	-	-	24,356
Machinery and equipment	392,526	13,951,226	-	87,631	-	94,105	14,525,488
Right-to-use asset - IT subscriptions	-	-	-	-	-	138,800	138,800
Less accumulated depreciation/amortization	(196,263)	(7,962,089)	-	(55,002)	-	(1,873,922)	(10,087,276)
Total capital assets	<u>196,263</u>	<u>6,177,425</u>	<u>-</u>	<u>32,629</u>	<u>-</u>	<u>9,010,304</u>	<u>15,416,621</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources	60,983	50,350	-	95,867	-	309,646	516,846
	<u>60,983</u>	<u>50,350</u>	<u>-</u>	<u>95,867</u>	<u>-</u>	<u>309,646</u>	<u>516,846</u>
Total assets and deferred outflows of resources	<u>\$ 2,782,409</u>	<u>\$ 17,473,482</u>	<u>\$ 7,985,280</u>	<u>\$ 310,515</u>	<u>\$ 399,409</u>	<u>\$ 9,611,273</u>	<u>\$ 38,562,368</u>
LIABILITIES							
Current liabilities							
Accounts payable and accrued expenses	\$ 12,105	\$ 53,780	\$ 1,665	\$ 8,657	\$ 78,184	\$ 134,327	\$ 288,718
Compensated absences - current	24,798	27,247	4,818	49,084	-	286,103	392,050
IT subscription obligations - current	-	-	-	-	-	46,321	46,321
Liability for self insured losses - current	-	-	54,468	-	302,642	-	357,110
Bonds, notes and loans payable - current	-	-	-	-	-	317,664	317,664
OPEB liability - current	531	602	-	1,298	-	6,040	8,471
Total current liabilities	<u>37,434</u>	<u>81,629</u>	<u>60,951</u>	<u>59,039</u>	<u>380,826</u>	<u>790,455</u>	<u>1,410,334</u>
Noncurrent liabilities							
Compensated absences	8,293	25,855	374	23,612	-	217,926	276,060
Liability for self insured losses	-	-	1,347	-	7,485	-	8,832
Net pension liability	186,355	221,778	-	401,972	-	2,097,647	2,907,752
OPEB liability	6,019	6,812	-	14,701	-	68,409	95,941
Bonds, IT subscription, notes, leases payable	-	-	-	-	-	7,422,481	7,422,481
Total noncurrent liabilities	<u>200,667</u>	<u>254,445</u>	<u>1,721</u>	<u>440,285</u>	<u>7,485</u>	<u>9,806,463</u>	<u>10,711,066</u>
Total liabilities	<u>238,101</u>	<u>336,074</u>	<u>62,672</u>	<u>499,324</u>	<u>388,311</u>	<u>10,596,918</u>	<u>12,121,400</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources	87,037	101,615	-	197,396	-	1,017,998	1,404,046
Total deferred inflows of resources	<u>87,037</u>	<u>101,615</u>	<u>-</u>	<u>197,396</u>	<u>-</u>	<u>1,017,998</u>	<u>1,404,046</u>
NET POSITION							
Net investment in capital assets	196,263	6,177,425	-	32,629	-	1,270,159	7,676,476
Unrestricted	2,261,008	10,858,368	7,922,608	(418,834)	11,098	(3,273,802)	17,360,446
Total net position	<u>2,457,271</u>	<u>17,035,793</u>	<u>7,922,608</u>	<u>(386,205)</u>	<u>11,098</u>	<u>(2,003,643)</u>	<u>25,036,922</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,782,409</u>	<u>\$ 17,473,482</u>	<u>\$ 7,985,280</u>	<u>\$ 310,515</u>	<u>\$ 399,409</u>	<u>\$ 9,611,273</u>	<u>\$ 38,562,368</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Internal Service Funds
Year Ended December 31, 2024

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund	Total Internal Service Funds
OPERATING REVENUES							
Charges for services	\$ 65,626	\$ 4,006,516	\$ 462,193	\$ 645,774	\$ -	\$ 8,733,846	\$ 13,913,955
Miscellaneous	-	-	-	10,316	17,404	14,924	42,644
Total operating revenues	<u>65,626</u>	<u>4,006,516</u>	<u>462,193</u>	<u>656,090</u>	<u>17,404</u>	<u>8,748,770</u>	<u>13,956,599</u>
OPERATING EXPENSES							
Operation and maintenance	538,552	1,461,152	-	111,121	(77)	7,861,516	9,972,264
General and administrative	197,405	736,574	4,299	393,327	281,346	-	1,612,951
Claim payments and special services	-	-	1,245,279	-	430,341	-	1,675,620
Increase (decrease) in expected unpaid losses	-	-	(6,662)	-	6,656	-	(6)
Depreciation and amortization	<u>78,505</u>	<u>1,009,448</u>	<u>-</u>	<u>8,813</u>	<u>-</u>	<u>308,415</u>	<u>1,405,181</u>
Total operating expenses	<u>814,462</u>	<u>3,207,174</u>	<u>1,242,916</u>	<u>513,261</u>	<u>718,266</u>	<u>8,169,931</u>	<u>14,666,010</u>
Operating income (loss)	<u>(748,836)</u>	<u>799,342</u>	<u>(780,723)</u>	<u>142,829</u>	<u>(700,862)</u>	<u>578,839</u>	<u>(709,411)</u>
NONOPERATING REVENUES (EXPENSES)							
Interest earnings and unrealized investment gains (losses)	37,070	423,856	318,757	5,822	25,362	-	810,867
Gain (loss) on sale of assets	-	93,957	-	-	-	-	93,957
Other nonoperating revenues	549	6,167	-	-	-	175	6,891
Reimbursement of prior year expense	-	-	842,981	-	-	-	842,981
Intergovernmental revenue	24,314	14,762	-	19,694	-	197,463	256,233
Interest expense and debt issuance costs	-	-	-	-	-	(163,678)	(163,678)
Total non-operating revenue (expenses)	<u>61,933</u>	<u>538,742</u>	<u>1,161,738</u>	<u>25,516</u>	<u>25,362</u>	<u>33,960</u>	<u>1,847,251</u>
Income (loss) before transfers	(686,903)	1,338,084	381,015	168,345	(675,500)	612,799	1,137,840
Transfers in	937,000	904,593	98,050	-	432,710	-	2,372,353
Transfers out	<u>(39,140)</u>	<u>(599,935)</u>	<u>-</u>	<u>(90,415)</u>	<u>-</u>	<u>(386,010)</u>	<u>(1,115,500)</u>
Change in net position	210,957	1,642,742	479,065	77,930	(242,790)	226,789	2,394,693
Total net position - beginning, as previously reported	<u>2,249,166</u>	<u>15,400,497</u>	<u>7,443,794</u>	<u>(453,090)</u>	<u>283,721</u>	<u>(2,201,597)</u>	<u>22,722,491</u>
Restatements	<u>(2,852)</u>	<u>(7,446)</u>	<u>(251)</u>	<u>(11,045)</u>	<u>(29,833)</u>	<u>(28,835)</u>	<u>(80,262)</u>
Total net position - beginning, as restated	<u>2,246,314</u>	<u>15,393,051</u>	<u>7,443,543</u>	<u>(464,135)</u>	<u>253,888</u>	<u>(2,230,432)</u>	<u>22,642,229</u>
Total net position - ending	<u>\$ 2,457,271</u>	<u>\$ 17,035,793</u>	<u>\$ 7,922,608</u>	<u>\$ (386,205)</u>	<u>\$ 11,098</u>	<u>\$ (2,003,643)</u>	<u>\$ 25,036,922</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Cash Flows – Internal Service Funds
Year Ended December 31, 2024

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund	Total
Cash flows from operating activities:							
Interfund services provided	\$ 66,812	\$ 4,011,450	\$ 462,193	\$ 656,090	\$ 17,404	\$ 8,735,756	\$ 13,949,705
Payments to suppliers	(247,891)	(1,651,493)	(1,247,412)	(90,812)	(663,097)	(2,063,780)	(5,964,485)
Payments to and on behalf of employees	(575,874)	(525,411)	-	(450,998)	(10,249)	(5,657,001)	(7,219,533)
Refund received for health insurance	-	-	840,984	-	-	-	840,984
Net cash provided (used) by operating activities	<u>(756,953)</u>	<u>1,834,546</u>	<u>55,765</u>	<u>114,280</u>	<u>(655,942)</u>	<u>1,014,975</u>	<u>1,606,671</u>
Cash flows from capital and related financing activities:							
Purchase of capital assets	-	(1,254,607)	-	-	-	(342,553)	(1,597,160)
Proceeds from sale of capital assets	-	113,088	-	-	-	-	113,088
Principal paid on capital debt	-	-	-	-	-	(339,330)	(339,330)
Interest and fiscal charges paid on capital debt	-	-	-	-	-	(163,792)	(163,792)
Principal paid on leases and IT subscriptions	-	-	-	-	-	(44,932)	(44,932)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,141,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(890,607)</u>	<u>(2,032,126)</u>
Cash flows from non-capital financing activities:							
Transfer from other funds	937,000	904,593	98,050	-	432,710	-	2,372,353
Transfer to other funds	(39,140)	(599,935)	-	(90,415)	-	(386,010)	(1,115,500)
Grants received	24,314	14,762	-	19,694	-	197,463	256,233
Net cash provided (used) by non-capital financing activities	<u>922,174</u>	<u>319,420</u>	<u>98,050</u>	<u>(70,721)</u>	<u>432,710</u>	<u>(188,547)</u>	<u>1,513,086</u>
Cash flows from investing activities:							
Interest and dividends received	15,856	188,379	145,371	2,258	12,318	-	364,182
Net cash provided (used) by investing activities	<u>15,856</u>	<u>188,379</u>	<u>145,371</u>	<u>2,258</u>	<u>12,318</u>	<u>-</u>	<u>364,182</u>
Net increase (decrease) in cash and cash equivalents	181,077	1,200,826	299,186	45,817	(210,914)	(64,179)	1,451,813
Increase (decrease) in fair value of investments (*)	20,604	230,694	173,386	3,429	13,494	-	441,607
Total increase (decrease) in cash and cash equivalents	<u>201,681</u>	<u>1,431,520</u>	<u>472,572</u>	<u>49,246</u>	<u>(197,420)</u>	<u>(64,179)</u>	<u>1,893,420</u>
Cash and equity in pooled cash and investments - beginning of the year	<u>733,355</u>	<u>9,639,982</u>	<u>7,144,166</u>	<u>132,303</u>	<u>595,772</u>	<u>341,802</u>	<u>18,587,380</u>
Cash and equity in pooled cash and investments - end of the year	<u>\$ 935,036</u>	<u>\$ 11,071,502</u>	<u>\$ 7,616,738</u>	<u>\$ 181,549</u>	<u>\$ 398,352</u>	<u>\$ 277,623</u>	<u>\$ 20,480,800</u>

(*) Cash and equity in pooled cash and investments includes various investments held by the Borough. The increase (decrease) in fair value of investments represents the unrealized gain (loss) on these investments.

BOROUGH OF CHAMBERSBURG
Combining Statement of Cash Flows – Internal Service Funds (Continued)
Year Ended December 31, 2024

	Stores Fund	Motor Equipment Fund	Self Insurance Fund	Engineering Fund	Worker's Compensation Fund	Administrative Services Fund	Total
Reconciliation of income from operations to net cash provided (used) by operating activities							
Operating income (loss)	\$ (748,836)	\$ 799,342	\$ (780,723)	\$ 142,829	\$ (700,862)	\$ 578,839	\$ (709,411)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation and amortization expense	78,505	1,009,448	-	8,813	-	308,415	1,405,181
Miscellaneous nonoperating income	549	6,167	-	-	-	175	6,891
(Increase) decrease in:							
Accounts receivable	637	(1,233)	(1,997)	-	-	(13,189)	(15,782)
Inventories	(93,719)	-	-	-	-	-	(93,719)
Prepaid expenses	1,009	2,430	-	-	-	-	3,439
Increase (decrease) in:							
Accounts payable and accrued expenses	(11,540)	(3,409)	(4,496)	(5,499)	44,920	99,753	119,729
Net pension liability and related deferred outflows and inflows	18,515	24,844	-	(25,229)	-	78,860	96,990
Net OPEB liability and related deferred outflows and inflows	(2,073)	(3,043)	-	(6,634)	-	(37,878)	(49,628)
Refund received for health insurance	-	-	842,981	-	-	-	842,981
Net cash provided (used) by operating activities	<u>\$ (756,953)</u>	<u>\$ 1,834,546</u>	<u>\$ 55,765</u>	<u>\$ 114,280</u>	<u>\$ (655,942)</u>	<u>\$ 1,014,975</u>	<u>\$ 1,606,671</u>
Non-cash investing, capital and non-capital financing activities							
Increase (decrease) in fair value of investments (*)	\$ 20,604	\$ 230,694	\$ 173,386	\$ 3,429	\$ 13,494	\$ -	\$ 441,607
Change in accounts payable and retainage related to capital assets	-	-	-	-	-	(7,695)	(7,695)

(*) Cash and equity in pooled cash and investments includes various investments held by the Borough. The increase (decrease) in fair value of investments represents the unrealized gain (loss) on these investments.

BOROUGH OF CHAMBERSBURG

Trust Funds

Trust Funds are used to account for assets held by the Borough in a trustee capacity.

Firemen's Pension Fund – This fund is used to account for the accumulation of resources for pension benefit payments to qualified Fire Department employees.

Police Pension Fund – This fund is used to account for the accumulation of resources for pension benefit payments to qualified public safety (police) employees.

Bargaining and Administrative Employees Pension Fund – This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the Borough other than police or fire department employees.

BOROUGH OF CHAMBERSBURG
Combining Statement of Fiduciary Net Position - Pension Trust Funds
December 31, 2024

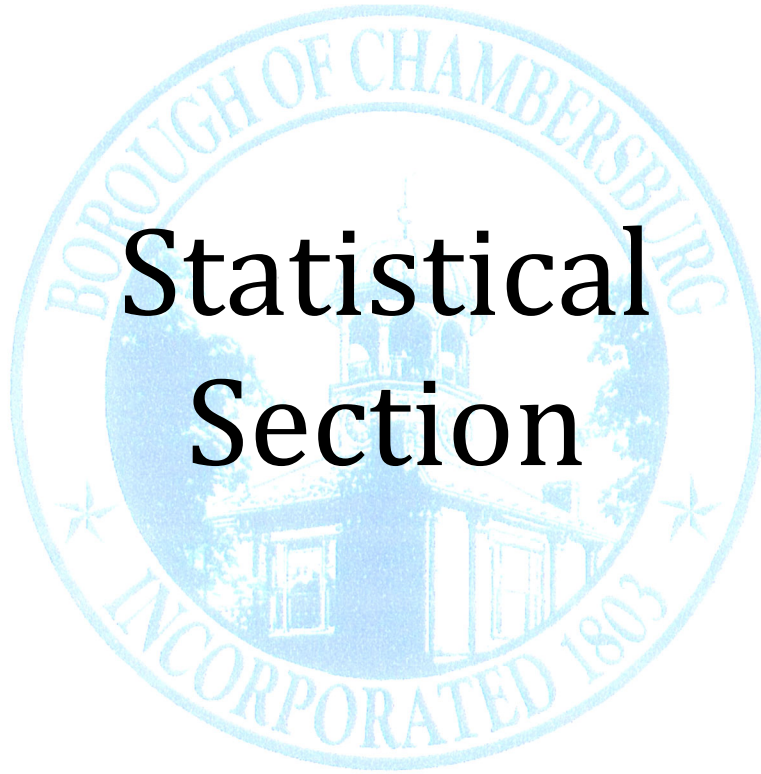
	Firemen Pension Fund	Police Pension Fund	Bargaining and Administrative Employees Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 862,636	\$ 907,973	\$ 1,327,447	\$ 3,098,056
Mutual funds - Corporate bonds	3,613,197	5,223,705	9,586,808	18,423,710
Mutual funds - Stocks	5,102,151	7,582,120	13,787,379	26,471,650
Mutual funds - Real estate securities	<u>1,859,096</u>	<u>2,762,913</u>	<u>5,023,729</u>	<u>9,645,738</u>
Total assets	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>
NET POSITION				
Net position restricted for pensions	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>
Total liabilities and net position	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>

BOROUGH OF CHAMBERSBURG
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds
Year Ended December 31, 2024

	Firemen Pension Fund	Police Pension Fund	Bargaining and Administrative Employees Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions				
Employer	\$ 594,373	\$ 714,084	\$ 881,440	\$ 2,189,897
Plan member	165,479	170,445	745,409	1,081,333
Transfer in	1,681	15,442	-	17,123
Total contributions	<u>761,533</u>	<u>899,971</u>	<u>1,626,849</u>	<u>3,288,353</u>
Investment income				
Net appreciation in fair value of investments and gains on sale of investments	808,599	1,237,630	2,216,720	4,262,949
Interest, dividends and other	253,534	367,120	660,704	1,281,358
Total net investment earnings	<u>1,062,133</u>	<u>1,604,750</u>	<u>2,877,424</u>	<u>5,544,307</u>
Total additions	<u>1,823,666</u>	<u>2,504,721</u>	<u>4,504,273</u>	<u>8,832,660</u>
DEDUCTIONS				
Benefits	585,680	1,350,430	1,938,300	3,874,410
Administrative expenses	20,517	28,204	49,916	98,637
Transfer out	-	-	17,123	17,123
Total deductions	<u>606,197</u>	<u>1,378,634</u>	<u>2,005,339</u>	<u>3,990,170</u>
Change in net position	1,217,469	1,126,087	2,498,934	4,842,490
Net position - beginning	<u>10,219,611</u>	<u>15,350,624</u>	<u>27,226,429</u>	<u>52,796,664</u>
Net position - ending	<u>\$ 11,437,080</u>	<u>\$ 16,476,711</u>	<u>\$ 29,725,363</u>	<u>\$ 57,639,154</u>

BOROUGH OF CHAMBERSBURG
Schedule of Taxes Receivable
Year Ended December 31, 2024

	General Purpose	Fire	Police	Recreation
Assessed valuation of real property	\$ 213,937,620	\$ 213,937,620	\$ 213,937,620	\$ 213,937,620
Add: Additions	2,008,600	2,008,600	2,008,600	2,008,600
Less: Reductions and exonerations	<u>225,480</u>	<u>225,480</u>	<u>225,480</u>	<u>225,480</u>
Adjusted assessment	215,720,740	215,720,740	215,720,740	215,720,740
Tax rate (mills)	<u>25.0</u>	<u>3.0</u>	<u>2.0</u>	<u>2.5</u>
Total tax levied	5,393,019	647,162	431,441	539,302
Add: Penalties	36,942	4,433	2,956	3,695
Less: Discounts	(95,927)	(11,510)	(7,674)	(9,594)
Collections	<u>(5,108,781)</u>	<u>(613,054)</u>	<u>(408,702)</u>	<u>(510,877)</u>
2024 taxes receivable - December 31, 2024	225,253	27,031	18,021	22,526
Prior years' taxes	<u>53,578</u>	<u>6,513</u>	<u>3,720</u>	<u>4,954</u>
Total taxes receivable - December 31, 2024	<u>\$ 278,831</u>	<u>\$ 33,544</u>	<u>\$ 21,741</u>	<u>\$ 27,480</u>



Statistical Section

STATISTICAL SECTION UNAUDITED

This section of the Borough of Chambersburg's annual comprehensive financial report presents detailed information as a context for the understanding what the information in the financial statements, not disclosures, and required supplementary information says about the municipality's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the municipality's financial performance and well-being have changed over time.	109 - 115
Revenue Capacity These schedules contain information to help the reader assess the municipality's most significant local revenue sources, the property tax, and the earned income tax.	116 - 121
Debt Capacity These schedules present information to help the reader assess the affordability of the municipality's current levels of outstanding debt and the municipality's ability to issue additional debt in the future.	122 - 125
Demographic and Economic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the municipality's financial activities take place.	126 - 127
Operating Information These schedules contain service information and infrastructure data to help the reader understand how the information in the municipality's financial report relates to the services the municipality provides and the activities it performs.	128 - 130

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Borough's financial performance and well-being have changed over time. These schedules include:

Net Position by Component	Schedule 1
Changes in Net Position	Schedule 2
Fund Balances - Governmental Funds	Schedule 3
Changes in Fund Balances - Governmental Funds	Schedule 4
Program Revenues by Function	Schedule 5
Tax Revenues by Source - Governmental Funds	Schedule 6

Schedule 1
Borough of Chambersburg, PA
Net Position By Component
Last Ten Years
(accrual basis of accounting)

	Restated									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 24,827,443	\$ 24,719,080	\$ 21,540,312	\$ 21,941,943	\$ 22,115,169	\$ 23,200,125	\$ 22,901,661	\$ 22,392,162	\$ 21,924,750	\$ 20,494,089
Restricted	10,834,138	6,999,140	8,907,482	9,223,399	7,897,042	7,272,595	8,199,300	6,915,510	6,540,937	5,972,633
Unrestricted	<u>(2,004,589)</u>	<u>(3,760,423)</u>	<u>(3,342,185)</u>	<u>2,831,712</u>	<u>(835,241)</u>	<u>(3,082,801)</u>	<u>(3,823,656)</u>	<u>(2,150,736)</u>	<u>(1,256,732)</u>	<u>132,897</u>
Total governmental activities net position	<u>33,656,992</u>	<u>27,957,797</u>	<u>27,105,609</u>	<u>33,997,054</u>	<u>29,176,970</u>	<u>27,389,919</u>	<u>27,277,305</u>	<u>27,156,936</u>	<u>27,208,955</u>	<u>26,599,619</u>
Business-type activities										
Net investment in capital assets	113,081,399	113,828,089	115,378,193	116,509,826	113,784,569	115,442,810	115,631,163	119,251,728	116,310,111	111,221,937
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>46,668,524</u>	<u>42,448,906</u>	<u>40,169,461</u>	<u>40,320,467</u>	<u>41,422,764</u>	<u>39,694,968</u>	<u>39,936,619</u>	<u>36,970,431</u>	<u>36,466,775</u>	<u>38,851,232</u>
Total business-type activities net position	<u>159,749,923</u>	<u>156,276,995</u>	<u>155,547,654</u>	<u>156,830,293</u>	<u>155,207,333</u>	<u>155,137,778</u>	<u>155,567,782</u>	<u>156,222,159</u>	<u>152,776,886</u>	<u>150,073,169</u>
Primary government										
Net investment in capital assets	137,908,842	138,547,169	136,918,505	138,451,769	135,899,738	138,642,935	138,532,824	141,643,890	138,234,861	131,716,026
Restricted	10,834,138	6,999,140	8,907,482	9,223,399	7,897,042	7,272,595	8,199,300	6,915,510	6,540,937	5,972,633
Unrestricted	<u>44,663,935</u>	<u>38,688,483</u>	<u>36,827,276</u>	<u>43,152,179</u>	<u>40,587,523</u>	<u>36,612,167</u>	<u>36,112,963</u>	<u>34,819,695</u>	<u>35,210,043</u>	<u>38,984,129</u>
Total primary government net position	<u>\$ 193,406,915</u>	<u>\$ 184,234,792</u>	<u>\$ 182,653,263</u>	<u>\$ 190,827,347</u>	<u>\$ 184,384,303</u>	<u>\$ 182,527,697</u>	<u>\$ 182,845,087</u>	<u>\$ 183,379,095</u>	<u>\$ 179,985,841</u>	<u>\$ 176,672,788</u>

Notes

As further explained in Note 17 of the basic financial statements, the information presented for 2023 throughout the statistical tables has been restated to reflect the correction of an error related to receivables and expenses reported in the water fund/business-type activities. This is noted as "Restated" in the applicable tables.

During 2024, the Borough implemented GASB 101 which required changes to the calculation of compensated absences liabilities. The information for years prior to 2024 has not been restated to reflect any changes as a result of this standard.

Schedule 2
Borough of Chambersburg, PA
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

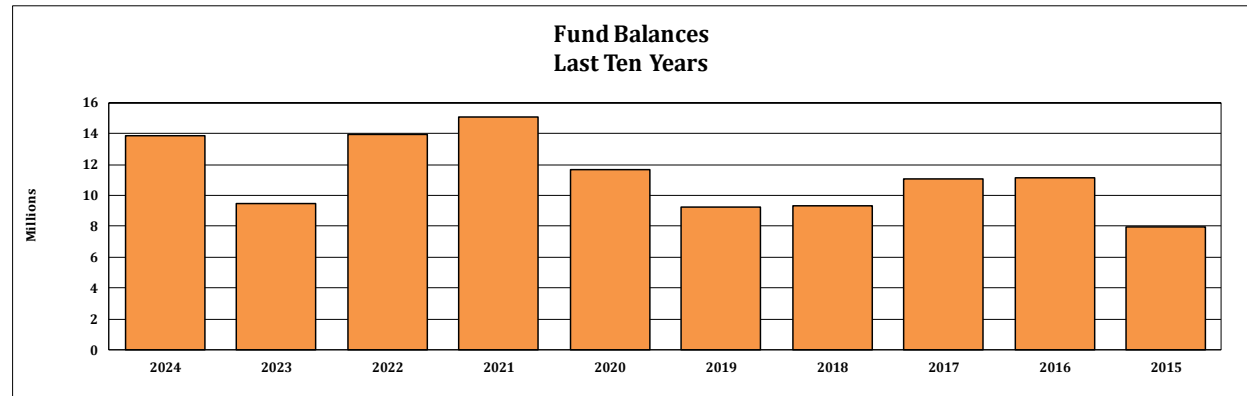
	Restated									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
General government	\$ 2,431,877	\$ 2,601,241	\$ 2,556,900	\$ 2,412,425	\$ 2,526,221	\$ 2,309,817	\$ 2,310,568	\$ 2,294,640	\$ 2,163,331	\$ 1,308,686
Public safety	13,996,901	14,405,244	13,474,856	11,187,488	11,212,547	11,233,362	10,833,457	9,477,333	8,993,278	8,722,730
Public works	2,562,015	2,344,161	2,403,824	2,027,300	1,707,400	2,298,715	1,834,124	1,673,405	1,658,783	1,483,408
Culture and recreation	1,798,527	1,726,179	1,717,617	1,335,937	1,366,457	1,504,825	1,322,566	1,413,812	1,690,579	1,561,445
Community development	802,611	833,291	5,094,767	281,047	177,017	641,838	836,338	286,185	962,778	309,197
Interest expense and debt issuance costs	202,497	209,060	448,037	57,002	27,312	42,217	60,526	92,027	56,212	-
Total governmental activities expenses	<u>21,794,428</u>	<u>22,119,176</u>	<u>25,696,001</u>	<u>17,301,199</u>	<u>17,016,954</u>	<u>18,030,774</u>	<u>17,197,579</u>	<u>15,237,402</u>	<u>15,524,961</u>	<u>13,385,466</u>
Business-type activities										
Electric	30,097,257	32,404,327	32,908,706	26,553,376	24,023,259	28,115,878	28,240,579	25,729,659	26,383,643	26,082,326
Gas	7,660,636	7,985,784	9,652,323	7,637,569	5,760,745	6,790,538	6,762,534	5,564,198	5,089,708	5,513,289
Water	5,819,771	5,736,108	5,306,720	4,412,363	4,779,583	4,093,906	3,639,107	3,462,915	7,047,612	3,394,584
Sewer	9,864,857	8,490,985	8,229,433	9,189,602	8,434,520	9,756,565	9,729,758	7,981,669	6,290,729	5,891,206
Swimming pool	1,213,887	1,233,255	1,200,361	1,156,886	998,616	1,144,533	843,447	-	163,013	-
Sanitation	4,691,347	4,054,139	3,782,825	3,418,335	3,239,985	3,348,653	3,106,776	2,857,397	2,984,839	2,493,738
Parking, traffic and street lights	1,782,261	1,855,729	1,661,804	2,156,532	1,224,552	1,204,108	1,240,160	998,553	987,489	968,851
Storm Sewer	1,314,850	710,232	608,181	495,671	498,927	580,002	383,574	389,564	370,805	264,641
Total business-type activities expenses	<u>62,444,866</u>	<u>62,470,559</u>	<u>63,350,353</u>	<u>55,020,334</u>	<u>48,960,187</u>	<u>55,034,183</u>	<u>53,945,935</u>	<u>46,983,955</u>	<u>49,317,838</u>	<u>44,608,635</u>
Total primary government expenses	<u>\$ 84,239,294</u>	<u>\$ 84,589,735</u>	<u>\$ 89,046,354</u>	<u>\$ 72,321,533</u>	<u>\$ 65,977,141</u>	<u>\$ 73,064,957</u>	<u>\$ 71,143,514</u>	<u>\$ 62,221,357</u>	<u>\$ 64,842,799</u>	<u>\$ 57,994,101</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 789,465	\$ 1,074,872	\$ 791,620	\$ 474,964	\$ 477,850	\$ 473,285	\$ 505,679	\$ 572,926	\$ 532,334	\$ 471,697
Public safety	3,919,379	3,358,482	3,021,921	2,989,390	2,866,093	2,005,498	1,855,468	1,941,723	1,874,555	1,883,333
Public works	2,240	2,743	945	4,374	1,663	9,810	5,720	3,770	2,650	2,695
Culture and recreation	275,004	240,333	208,185	147,382	106,227	204,366	188,537	216,967	417,064	365,388
Community development	-	-	-	-	-	-	-	-	-	-
Interest expense and debt issuance costs	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,754,187	3,779,367	4,678,053	6,205,849	2,669,592	2,375,110	2,446,371	1,781,090	2,614,177	1,688,126
Capital grants and contributions	3,239,000	-	116,400	209,478	79,490	529,058	148,045	42,044	346,069	253,796
Total governmental activities program revenues	<u>10,979,275</u>	<u>8,455,797</u>	<u>8,817,124</u>	<u>10,031,437</u>	<u>6,200,915</u>	<u>5,597,127</u>	<u>5,149,820</u>	<u>4,558,520</u>	<u>5,786,849</u>	<u>4,665,035</u>
Business-type activities										
Charges for services										
Electric	35,787,919	32,024,627	30,815,782	28,986,441	27,661,278	29,104,394	29,785,076	28,452,711	29,385,789	30,286,293
Gas	7,742,780	9,256,496	12,036,525	7,860,850	7,136,435	7,890,056	7,772,848	6,838,981	5,470,742	6,261,957
Water	5,646,632	5,209,197	4,355,813	4,236,182	3,730,901	3,675,609	4,026,888	3,638,154	3,356,786	3,142,529
Sewer	7,969,122	7,881,107	7,384,159	7,316,151	7,110,699	6,973,566	6,642,974	6,633,050	5,864,946	5,567,270
Swimming pool	875,280	831,567	790,599	615,111	373,201	637,857	570,671	2,987	-	-
Sanitation	4,900,338	4,346,410	3,574,079	3,525,576	3,474,556	3,123,263	3,065,612	3,057,311	2,966,732	2,440,813
Parking, traffic and street lights	258,547	274,277	148,475	167,532	115,045	199,091	345,217	141,881	153,300	197,041
Storm Sewer	1,336,587	1,118,239	1,114,873	518,728	576,827	410,513	403,705	397,739	296,377	295,362
Operating grants and contributions	2,187,577	722,216	311,063	4,469,635	976,785	756,431	979,885	328,881	385,322	239,650
Capital grants and contributions	1,019,588	851,753	1,783,136	229,894	156,694	1,371,007	15,615	2,179,904	7,141,427	11,740,114
Total business-type activities program revenues	<u>67,724,370</u>	<u>62,515,889</u>	<u>62,314,504</u>	<u>57,926,100</u>	<u>51,312,421</u>	<u>54,141,787</u>	<u>53,608,491</u>	<u>51,671,599</u>	<u>55,021,421</u>	<u>60,171,029</u>
Total primary government program revenues	<u>\$ 78,703,645</u>	<u>\$ 70,971,686</u>	<u>\$ 71,131,628</u>	<u>\$ 67,957,537</u>	<u>\$ 57,513,336</u>	<u>\$ 59,738,914</u>	<u>\$ 58,758,311</u>	<u>\$ 56,230,119</u>	<u>\$ 60,808,270</u>	<u>\$ 64,836,064</u>

Schedule 2
Borough of Chambersburg, PA
Changes in Net Position (Continued)
Last Ten Years
(accrual basis of accounting)

	Restated										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Net (expense)/revenue											
Governmental activities	\$ (10,815,153)	\$ (13,663,379)	\$ (16,878,877)	\$ (7,269,762)	\$ (10,816,039)	\$ (12,433,647)	\$ (12,047,759)	\$ (10,678,882)	\$ (9,738,112)	\$ (8,720,431)	
Business-type activities	5,279,504	45,330	(1,035,849)	2,905,766	2,352,234	(892,396)	(337,444)	4,687,644	5,703,583	15,562,394	
Total primary government net expenses	<u>\$ (5,535,649)</u>	<u>\$ (13,618,049)</u>	<u>\$ (17,914,726)</u>	<u>\$ (4,363,996)</u>	<u>\$ (8,463,805)</u>	<u>\$ (13,326,043)</u>	<u>\$ (12,385,203)</u>	<u>\$ (5,991,238)</u>	<u>\$ (4,034,529)</u>	<u>\$ 6,841,963</u>	
General revenues and other changes in net position											
Governmental activities											
Taxes											
Property taxes, levied for general purposes	\$ 5,335,576	\$ 5,246,648	\$ 4,977,636	\$ 4,951,190	\$ 4,909,050	\$ 4,925,542	\$ 4,874,490	\$ 4,647,594	\$ 4,651,001	\$ 4,142,267	
Property taxes, levied for specific purposes	1,600,945	1,573,770	1,451,065	1,281,684	1,217,623	1,330,528	527,862	467,067	649,324	779,004	
Real estate transfer tax	672,512	539,404	716,846	927,983	631,580	571,571	2,179,319	1,999,358	2,130,470	1,853,327	
Earned income tax	3,170,150	2,870,031	2,784,427	2,509,252	2,291,675	2,254,401	879,616	824,411	921,024	702,097	
Local service tax	809,186	774,115	781,036	783,031	808,573	851,113	1,278,483	504,460	503,954	491,328	
Other taxes	106,632	30,522	35,297	29,193	74,371	87,937	91,285	90,970	82,118	74,975	
Gain on sale of assets	-	425,450	-	-	-	-	-	-	-	-	
Unrestricted contributions and grants	-	-	-	-	-	-	-	-	-	-	
Unrestricted investment earnings	801,702	804,910	(1,148,593)	(114,930)	123,411	546,761	214,420	149,219	2,108	35,331	
Miscellaneous income	67,170	-	136,041	73,458	468,005	80,565	16,603	36,190	25,245	39,477	
Transfer of capital assets	-	18,720	-	-	-	-	-	-	-	(3,076,765)	
Transfers	4,194,990	2,231,998	313,288	1,648,985	2,233,411	1,897,843	1,953,168	1,907,594	1,632,974	2,323,202	
Total governmental activities	<u>\$ 16,758,863</u>	<u>\$ 14,515,568</u>	<u>\$ 10,047,043</u>	<u>\$ 12,089,846</u>	<u>\$ 12,757,699</u>	<u>\$ 12,546,261</u>	<u>\$ 12,015,246</u>	<u>\$ 10,626,863</u>	<u>\$ 10,598,218</u>	<u>\$ 7,364,243</u>	
Business-type activities											
Unrestricted investment earnings	\$ 2,510,787	\$ 2,352,424	\$ (2,971,834)	\$ (468,837)	\$ 617,561	\$ 2,262,408	\$ 753,807	\$ 604,900	\$ (1,158)	\$ 101,695	
Miscellaneous income	107,303	563,585	2,978,720	835,016	56,887	97,827	67,518	60,323	50,670	30,679	
Transfer of capital assets	-	-	-	-	-	-	-	-	-	3,076,765	
Transfers	(4,194,990)	(2,231,998)	(313,288)	(1,648,985)	(2,233,411)	(1,897,843)	(1,953,168)	(1,907,594)	(1,632,974)	(2,323,202)	
Total business-type activities	<u>\$ (1,576,900)</u>	<u>\$ 684,011</u>	<u>\$ (306,402)</u>	<u>\$ (1,282,806)</u>	<u>\$ (1,558,963)</u>	<u>\$ 462,392</u>	<u>\$ (1,131,843)</u>	<u>\$ (1,242,371)</u>	<u>\$ (1,583,462)</u>	<u>\$ 885,937</u>	
Total primary government	\$ 15,181,963	\$ 15,199,579	\$ 9,740,641	\$ 10,807,040	\$ 11,198,736	\$ 13,008,653	\$ 10,883,403	\$ 9,384,492	\$ 9,014,756	\$ 8,250,180	
Change in net position											
Governmental activities	5,943,710	852,189	(6,831,834)	4,820,084	1,941,660	112,614	(32,513)	(52,019)	860,106	(1,356,188)	
Business-type activities	3,702,604	729,341	(1,342,251)	1,622,960	793,271	(430,004)	(1,469,287)	3,445,273	4,120,121	16,448,331	
Total primary government change in net position	<u>\$ 9,646,314</u>	<u>\$ 1,581,530</u>	<u>\$ (8,174,085)</u>	<u>\$ 6,443,044</u>	<u>\$ 2,734,931</u>	<u>\$ (317,390)</u>	<u>\$ (1,501,800)</u>	<u>\$ 3,393,254</u>	<u>\$ 4,980,227</u>	<u>\$ 15,092,143</u>	

Schedule 3
Borough of Chambersburg, PA
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Unassigned	\$ 3,384,644	\$ 1,998,589	\$ 2,377,281	\$ 5,853,214	\$ 3,751,167	\$ 1,975,135	\$ 1,827,338	\$ 1,678,221	\$ 2,083,562	\$ 1,993,240
Committed	-	294,097	-	-	-	-	-	-	-	-
Total general fund	<u>3,384,644</u>	<u>2,292,686</u>	<u>2,377,281</u>	<u>5,853,214</u>	<u>3,751,167</u>	<u>1,975,135</u>	<u>1,827,338</u>	<u>1,678,221</u>	<u>2,083,562</u>	<u>1,993,240</u>
All other governmental funds										
Unassigned	(214,564)	-	-	-	-	-	-	-	-	-
Nonspendable for long term receivables	-	-	-	-	-	-	-	-	2,553,604	203,916
Restricted	10,680,398	7,151,914	11,564,798	9,234,534	7,897,035	7,272,595	7,500,763	9,395,181	6,468,551	5,768,717
Total all other governmental funds	<u>10,465,834</u>	<u>7,151,914</u>	<u>11,564,798</u>	<u>9,234,534</u>	<u>7,897,035</u>	<u>7,272,595</u>	<u>7,500,763</u>	<u>9,395,181</u>	<u>9,022,155</u>	<u>5,972,633</u>
Total governmental funds	<u>\$ 13,850,478</u>	<u>\$ 9,444,600</u>	<u>\$ 13,942,079</u>	<u>\$ 15,087,748</u>	<u>\$ 11,648,202</u>	<u>\$ 9,247,730</u>	<u>\$ 9,328,101</u>	<u>\$ 11,073,402</u>	<u>\$ 11,105,717</u>	<u>\$ 7,965,873</u>



From: Balance Sheet Governmental Funds

Schedule 4
Borough of Chambersburg, PA
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

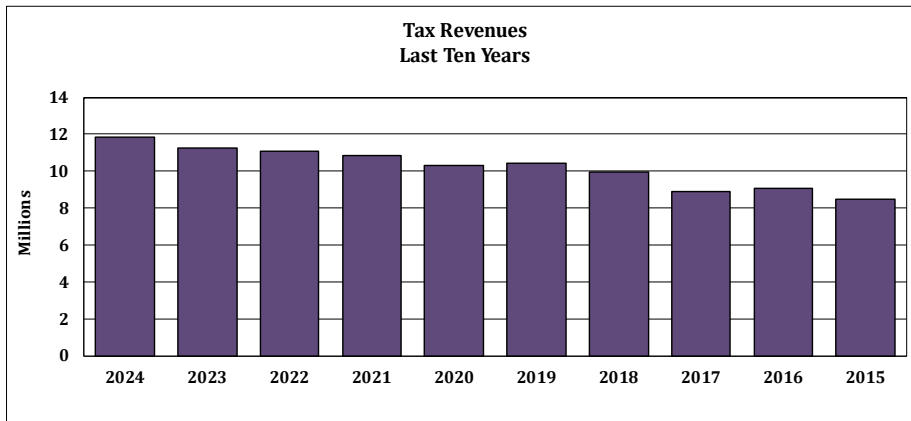
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Real estate taxes	\$ 7,015,299	\$ 6,839,943	\$ 6,522,338	\$ 6,263,764	\$ 6,281,391	\$ 6,410,379	\$ 6,165,850	\$ 5,236,759	\$ 5,203,376	\$ 4,640,063
Local enabling taxes	4,538,106	4,090,613	4,272,131	4,210,058	3,670,098	3,687,425	3,461,434	3,309,731	3,523,969	3,500,815
Licenses and permits	450,778	406,424	447,728	470,601	459,418	465,688	416,535	501,057	450,972	380,070
Fines and forfeits	121,781	123,134	134,694	136,342	138,118	163,345	163,076	152,342	162,220	174,703
Investment earnings and unrealized investment gains (losses)	565,253	594,366	(885,081)	(72,237)	83,333	389,448	154,467	107,624	4,723	27,537
Intergovernmental	5,338,764	3,465,953	5,875,157	5,064,429	2,649,087	2,420,486	2,436,541	1,753,564	2,949,843	1,939,468
Charges for services	4,234,915	3,989,877	2,962,744	2,809,422	2,669,553	1,930,873	1,839,269	1,881,459	2,078,112	2,016,983
Miscellaneous	379,906	478,770	620,957	442,895	673,429	248,777	310,857	304,994	200,400	212,589
Contributions and donations	-	-	-	-	-	-	-	-	-	71,190
Total revenues	22,644,802	19,989,080	19,950,668	19,325,274	16,624,427	15,716,421	14,948,029	13,247,530	14,573,615	12,963,418
EXPENDITURES										
Current:										
General government	2,488,793	2,207,241	1,763,435	1,783,436	1,861,164	1,502,941	1,757,702	1,585,185	1,872,101	1,512,044
Public safety										
Police department	6,503,376	10,474,313	10,117,038	6,304,665	5,259,465	4,926,420	4,722,850	4,915,151	4,502,431	4,480,390
Emergency services	5,836,210	5,696,599	5,570,713	5,341,510	5,559,600	5,034,134	4,656,601	3,852,942	3,948,697	3,741,239
Planning and zoning	890,383	943,132	815,418	890,057	749,548	619,356	611,478	580,913	556,019	527,330
Public works										
Highways	2,458,043	3,252,008	3,163,871	2,075,230	1,000,607	2,841,386	3,393,966	2,348,063	2,943,465	2,405,159
Culture and recreation	1,816,272	1,964,363	1,626,705	1,078,564	1,114,439	2,093,053	1,859,422	1,368,958	1,509,699	1,486,241
Community development	529,467	1,276,137	5,091,497	251,241	79,315	578,277	175,058	90,258	664,353	258,376
Bond reallocation	-	-	-	-	-	-	(1,177,163)	-	-	-
Debt service										
Principal	263,296	256,329	43,952	44,773	44,103	42,738	79,484	1,282	-	-
Interest	218,980	225,651	390,759	56,970	30,895	45,819	61,587	67,442	-	-
Miscellaneous	68,602	63,525	59,205	-	-	-	-	-	-	-
Total expenditures	21,073,422	26,359,298	28,642,593	17,826,446	15,699,136	17,684,124	16,140,985	14,810,194	15,996,765	14,410,779
Excess (deficiency) of revenues over expenditures	1,571,380	(6,370,218)	(8,691,925)	1,498,828	925,291	(1,967,703)	(1,192,956)	(1,562,664)	(1,423,150)	(1,447,361)
OTHER FINANCING SOURCES (USES)										
Issuance of long term financing	-	-	7,080,000	1,093,408	-	-	-	-	2,500,000	-
Payment to refund long term debt	-	-	-	(1,110,462)	-	-	-	-	-	-
Bond premium	-	-	342,689	44,481	-	-	-	-	26,457	-
Transfers in (out)	2,834,498	1,872,739	183,180	1,913,291	1,574,262	1,762,332	1,801,981	1,530,349	2,332,546	1,880,728
Total other financing sources and uses	2,834,498	1,872,739	7,605,869	1,940,718	1,574,262	1,762,332	1,801,981	1,530,349	4,859,003	1,880,728
Net change in fund balances	\$ 4,405,878	\$ (4,497,479)	\$ (1,086,056)	\$ 3,439,546	\$ 2,499,553	\$ (205,371)	\$ 609,025	\$ (32,315)	\$ 3,435,853	\$ 433,367
Debt service as a percentage of non-capital expenditures	2.65%	2.00%	1.64%	0.64%	0.54%	0.56%	0.99%	0.53%	0.00%	0.00%
Debt service as a percentage of total expenditures	2.29%	1.83%	1.52%	0.57%	0.48%	0.50%	0.87%	0.46%	0.00%	0.00%

Schedule 5
Borough of Chambersburg, PA
Program Revenues by Function
Last Ten Years
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Function/Program										
Governmental activities										
General government	\$ 838,790	\$ 1,376,194	\$ 886,917	\$ 553,223	\$ 574,078	\$ 523,299	\$ 552,302	\$ 611,628	\$ 571,757	\$ 509,291
Public safety	8,501,809	4,827,231	6,285,030	7,681,039	4,590,305	2,982,806	2,657,455	2,739,885	3,255,179	2,641,513
Public works	708,707	661,575	737,174	937,170	733,828	1,218,990	804,633	667,308	951,794	777,088
Culture and recreation	407,215	1,087,878	446,053	501,519	184,390	287,285	328,588	307,425	546,375	510,254
Community development	522,754	502,919	461,950	358,486	118,314	584,747	806,842	232,274	461,744	226,889
Subtotal governmental activities	<u>10,979,275</u>	<u>8,455,797</u>	<u>8,817,124</u>	<u>10,031,437</u>	<u>6,200,915</u>	<u>5,597,127</u>	<u>5,149,820</u>	<u>4,558,520</u>	<u>5,786,849</u>	<u>4,665,035</u>
Business-type activities										
Electric	35,991,966	32,137,896	31,393,986	29,083,755	27,751,332	29,169,265	29,852,876	28,520,022	29,439,209	30,362,435
Gas	9,375,659	9,479,412	12,183,954	7,932,560	7,758,438	7,968,093	7,802,151	6,903,776	5,522,223	6,301,368
Water	6,258,770	5,940,912	4,842,138	4,362,380	3,777,874	3,714,052	4,065,500	3,688,443	3,633,235	3,285,875
Sewer	8,287,839	7,922,778	7,483,507	7,655,357	7,293,639	8,326,263	6,700,742	8,568,501	12,701,697	17,022,054
Swimming pool	876,148	832,168	888,437	898,921	376,630	640,606	604,354	3,084	-	-
Sanitation	4,997,498	4,380,695	3,622,440	4,213,256	3,512,315	3,223,561	3,121,790	3,128,892	3,007,119	2,682,626
Parking, traffic and street lights	449,359	290,777	486,103	3,064,593	261,603	683,936	664,566	165,662	344,294	221,309
Storm sewer	1,487,131	1,531,251	1,151,524	715,278	580,590	416,011	796,512	693,219	373,644	295,362
Subtotal business type activities	<u>67,724,370</u>	<u>62,515,889</u>	<u>62,052,089</u>	<u>57,926,100</u>	<u>51,312,421</u>	<u>54,141,787</u>	<u>53,608,491</u>	<u>51,671,599</u>	<u>55,021,421</u>	<u>60,171,029</u>
Total primary government	<u>\$ 78,703,645</u>	<u>\$ 70,971,686</u>	<u>\$ 70,869,213</u>	<u>\$ 67,957,537</u>	<u>\$ 57,513,336</u>	<u>\$ 59,738,914</u>	<u>\$ 58,758,311</u>	<u>\$ 56,230,119</u>	<u>\$ 60,808,270</u>	<u>\$ 64,836,064</u>

Schedule 6
 Borough of Chambersburg, PA
 Tax Revenues by Source - Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

Fiscal Year	Real Estate	Fire Tax	Rec Tax	Police Station Bond Tax	Real Estate Transfer	Earned Income	Local Services Tax	Cable TV Franchise Fees	Payments in Lieu of Taxes	Total
2024	\$ 5,311,924	\$ 639,131	\$ 533,678	\$ 423,935	\$ 683,547	\$ 3,049,239	\$ 805,319	\$ 272,770	\$ 106,632	\$11,826,175
2023	5,240,012	629,326	526,648	413,435	539,404	2,778,687	772,522	300,049	30,522	11,230,605
2022 (2)	5,028,420	595,591	599,229	202,456	716,846	2,799,962	755,323	326,474	35,297	11,059,598
2021	4,996,627	617,660	630,122	-	927,983	2,479,988	802,087	339,160	29,193	10,822,820
2020	4,960,660	625,916	619,885	-	631,580	2,245,438	793,080	351,745	74,370	10,302,674
2019	4,983,967	723,909	614,566	-	571,571	2,260,255	855,599	329,370	87,937	10,427,174
2018 (1)	4,810,476	693,708	570,381	-	527,862	2,085,361	848,211	327,440	91,285	9,954,724
2017	4,642,262	503,527	-	-	467,067	2,007,026	835,638	370,183	90,970	8,916,673
2016	4,618,625	502,633	-	-	649,324	2,047,354	827,291	328,660	82,118	9,056,005
2015	4,079,891	485,197	-	-	779,004	1,933,081	788,730	306,487	74,975	8,447,365



(1) Beginning in 2018, the Borough assessed the Rec and Ambulance Tax.

(2) Beginning in 2022, the Borough assessed the Police Station Bond Tax.

Source: Borough of Chambersburg Finance Department.

REVENUE CAPACITY

These schedules contain trend information to help the reader assess the Borough's most significant local revenue source, the property tax. These schedules include:

Property Tax Rates - Direct and Overlapping Governments	Schedule 7
Assessed Value and Actual Value of Taxable Property	Schedule 8
Principal Taxpayers	Schedule 9
Property Tax Levies and Collections	Schedule 10
Municipal Earned Income Tax Revenue Base and Collections	Schedule 11
Earned Income Tax Statistics	Schedule 12

Schedule 7
Borough of Chambersburg, PA
Property Tax Rates - Direct and Overlapping Governments
Last Ten Years

Tax Year	<-----Direct Rate----->					<-----Overlapping Debt----->		
	General Real Estate Tax	Fire Tax	Recreation Tax	Police Station Bond Tax	Total Direct	Chambersburg Area Sch Dist	Franklin County	Franklin County Library
2024	25.00	3.00	2.50	2.00	32.50	132.49	29.10	1.30
2023	25.00	3.00	2.50	2.00	32.50	127.40	29.10	1.30
2022	(2) 24.00	3.00	3.00	1.00	31.00	122.50	29.10	1.30
2021	24.00	3.00	3.00	0.00	30.00	118.93	29.10	1.30
2020	24.00	3.00	3.00	0.00	30.00	118.93	29.10	1.30
2019	24.00	3.50	3.00	0.00	30.50	115.02	29.10	1.05
2018	(1) 24.00	3.50	3.00	0.00	30.50	109.65	27.60	1.05
2017	23.00	2.50	0.00	0.00	25.50	105.94	27.60	1.05
2016	23.00	2.50	0.00	0.00	25.50	101.38	27.60	1.05
2015	21.00	2.50	0.00	0.00	23.50	98.43	25.65	1.05

(1) Beginning in 2018, the Borough assessed the Recreation and Ambulance Tax.

(2) Beginning in 2022, the Borough assessed the Police Station Bond Tax.

Sources: Borough of Chambersburg Annual Comprehensive Financial Report
Chambersburg Area School District Annual Financial Report
Franklin County Tax Assessment Office

Schedule 8
Borough of Chambersburg, PA
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Fiscal Year Ended December 31,	Agricultural Property	Residential Property	Commercial Property	Industrial Property	Vacant Property	Tax Exempt Property	Total Estimated Assessed Value	Total Taxable Assessed Value	Chambersburg Municipal Millage Rate
2024	\$ 262,090	\$ 108,107,530	\$ 93,429,250	\$ 9,943,800	\$ 2,194,950	\$ 67,019,350	\$ 280,956,970	\$ 213,937,620	32.50
2023	261,350	107,520,700	91,685,010	9,318,790	2,262,150	66,096,710	277,144,710	211,048,000	32.50
2022	261,350	106,321,190	90,736,040	9,253,500	2,477,470	66,263,340	275,312,890	209,049,550	31.00
2021	261,350	105,404,970	90,870,320	9,082,920	2,531,060	64,754,250	272,904,870	208,150,620	30.00
2020	261,350	104,446,330	90,699,630	8,971,330	2,622,730	63,422,220	270,423,590	207,001,370	30.00
2019	260,750	103,229,980	90,313,750	8,964,040	2,561,670	64,230,330	269,560,520	205,330,190	30.50
2018	260,750	102,577,140	88,126,100	9,154,210	2,731,070	63,312,530	266,161,800	202,849,270	30.50
2017	260,750	101,871,080	87,433,470	9,154,210	2,694,580	63,321,240	264,735,330	201,414,090	25.50
2016	260,750	101,261,800	85,226,210	9,157,860	2,516,020	62,793,580	261,216,220	198,422,640	25.50
2015	261,890	100,769,600	84,626,080	9,781,880	2,354,460	51,816,300	249,610,210	197,793,910	23.50

Sources: Franklin County, PA Tax Assessor's Office
Borough of Chambersburg Annual Comprehensive Financial Report

Schedule 9
Borough of Chambersburg, PA
Principal Taxpayers
12/31/2024 and 12/31/2015

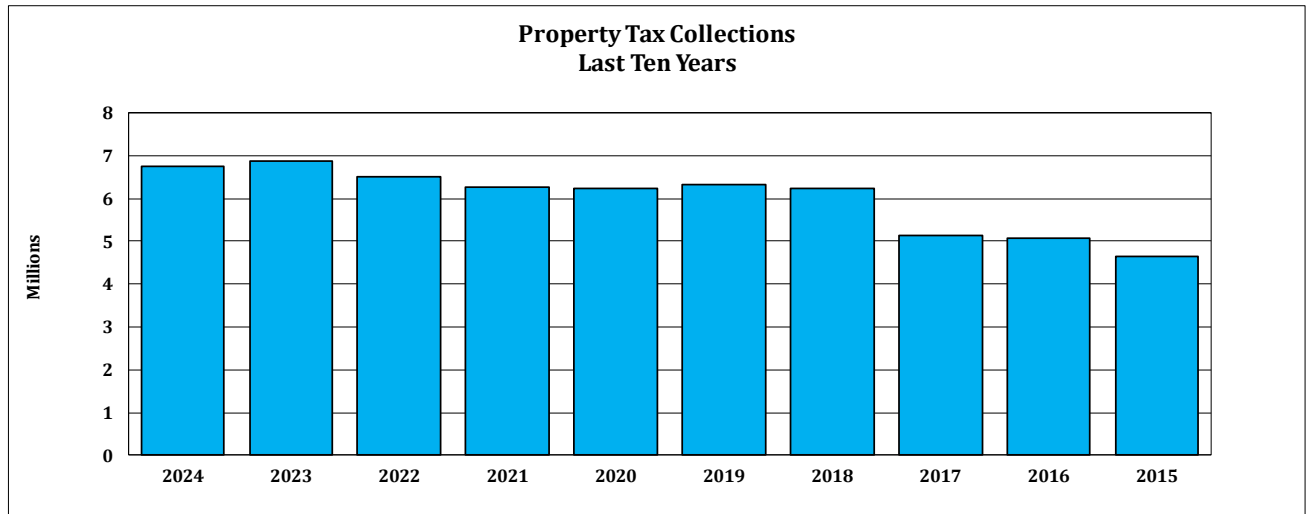
December 31, 2024			
Taxpayer	Estimated Actual Values of Real Property (1)	Rank	Percentage of Assessed Valuation
Chbg Health Srv/Chbg Hospital	\$ 6,474,060	1	3.03%
Menno Haven	5,881,960	2	2.75%
U&ME Chambersburg LLC (MZL)	3,677,360	3	1.72%
Liberty Properties	3,593,200	4	1.68%
Progress & Progress Village	3,054,320	5	1.43%
Wilsey/Holsum LLC (Ventura Foods)	2,849,540	6	1.33%
Pool 3 Industrial PA, LLC	1,955,100	7	0.91%
Dawson Logistics Assets, LLC	1,662,390	8	0.78%
Wayne Avenue Plaza, LLC	1,628,060	9	0.76%
Chambersburg Cold Storage LP	1,494,590	10	0.70%
	<u>\$ 32,270,580</u>		<u>15.09%</u>
Total Taxable Assessed Valuation	<u>\$ 213,937,620</u>		

December 31, 2015			
Taxpayer	Estimated Actual Values of Real Property (1)	Rank	Percentage of Assessed Valuation
Chbg Health Srv/Chbg Hospital	\$ 6,321,820	1	3.20%
Menno Haven	5,485,560	2	2.77%
Chambersburg Crossing LP	4,946,620	3	2.50%
Wilsey/Holsum LLC (Ventura)	2,849,540	4	1.44%
American Real Estate	2,340,650	5	1.18%
ProLogis	1,770,950	6	0.90%
Wayne Avenue Plaza	1,628,060	7	0.82%
Chambersburg Cold Storage LP	1,491,010	8	0.75%
T K Nitterhouse	1,395,120	9	0.71%
Chambersburg Area Develop.	1,199,670	10	0.61%
	<u>\$ 29,429,000</u>		<u>14.88%</u>
Total Taxable Assessed Valuation	<u>\$ 197,793,910</u>		

Sources: Franklin County Assessor's Office

Schedule 10
Borough of Chambersburg, PA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Dec 31,	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 7,018,728	\$ 6,744,720	96.10%	-	\$ 6,744,720	96.10%
2023	6,918,388	6,612,938	95.58%	246,141	6,859,079	99.14%
2022 (4)	6,503,390	6,296,604	96.82%	204,611	6,501,215	99.97%
2021	6,279,466	6,045,787	96.28%	233,064	6,278,851	99.99%
2020 (3)	6,227,429	5,958,333	95.68%	268,356	6,226,689	99.99%
2019	6,310,516	5,973,537	94.66%	336,836	6,310,373	100.00%
2018 (2)	6,228,091	5,894,675	94.65%	333,092	6,227,767	99.99%
2017	5,148,320	4,874,759	94.69%	273,220	5,147,979	99.99%
2016 (1)	5,078,752	4,819,617	94.90%	256,649	5,076,266	99.95%
2015	4,663,215	4,377,257	93.87%	284,205	4,661,462	99.96%



- (1) The Borough's property tax mill rate increased from 21.0 to 23.0, an increase of 9.52%.
- (2) Beginning in 2018, the Borough assessed the recreation and ambulance tax. Borough's property tax mill rate increased from 23.0 to 24.0, an increase of 4.00%, and fire tax increased from 2.50% to 3.50%.
- (3) In 2020, fire tax decreased from 3.50% to 3.00%.
- (4) Beginning in 2022, the Borough assessed the police station bond tax.

Source: Borough of Chambersburg Finance Department

Schedule 11
Borough of Chambersburg, PA
Municipal Earned Income Tax Revenue Base and Collections
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Tax Rate	Total Earned Income Tax Collected	Refunds	Net Earned Income Tax Collected
2024	1.00%	\$ 3,077,784	\$ 58,826	\$ 3,018,958
2023	1.00%	2,756,800	82,856	2,673,944
2022	1.00%	2,802,891	72,360	2,730,531
2021	1.00%	2,434,788	69,401	2,365,387
2020	1.00%	2,269,128	69,752	2,199,376
2019	1.00%	2,266,460	85,649	2,180,811
2018	1.00%	2,110,277	72,465	2,037,812
2017	1.00%	2,027,449	75,103	1,952,346
2016	1.00%	2,076,927	84,475	1,992,452
2015	1.00%	1,900,774	57,461	1,843,313

Source: Franklin County Area Tax Bureau

Schedule 12
Borough of Chambersburg, PA
Earned Income Tax Statistics
Last Ten Years

Income Range	2023 (1)	2022	2021	2020	2019	2018	2017	2016	2015	2014
> \$1,000,000	-	-	-	1	4	5	2	1	3	-
\$500,000 - 999,999	5	16	14	13	8	8	12	14	8	14
\$200,000 - 499,999	45	45	79	70	74	68	64	66	55	67
\$100,000 - 199,999	306	339	374	330	313	306	287	270	211	232
\$50,000 - 99,999	1,473	1,634	2,092	1,869	1,873	1,806	1,800	1,780	1,466	1,583
<\$49,999	<u>5,371</u>	<u>5,539</u>	<u>5,850</u>	<u>6,074</u>	<u>6,502</u>	<u>7,997</u>	<u>7,933</u>	<u>7,918</u>	<u>6,811</u>	<u>8,238</u>
Total	<u>7,200</u>	<u>7,573</u>	<u>8,409</u>	<u>8,357</u>	<u>8,774</u>	<u>10,190</u>	<u>10,098</u>	<u>10,049</u>	<u>8,554</u>	<u>10,134</u>

Percent of Total Earned Income Tax

Income Range	2023 (1)	2022	2021	2020	2019	2018	2017	2016	2015	2014
> \$1,000,000	0.00%	0.00%	0.00%	0.53%	1.36%	1.87%	0.73%	0.59%	1.27%	0.00%
\$500,000 - 999,999	1.43%	4.04%	2.55%	2.55%	1.58%	1.41%	2.17%	2.93%	1.83%	3.11%
\$200,000 - 499,999	5.24%	4.62%	6.56%	6.00%	6.54%	5.89%	5.21%	5.88%	6.19%	6.73%
\$100,000 - 199,999	16.59%	16.55%	13.84%	12.96%	12.04%	11.54%	10.63%	10.20%	9.45%	9.31%
\$50,000 - 99,999	43.48%	42.00%	40.41%	38.80%	37.18%	35.76%	35.26%	35.07%	34.48%	32.69%
<\$49,999	<u>33.26%</u>	<u>32.79%</u>	<u>36.64%</u>	<u>39.16%</u>	<u>41.30%</u>	<u>43.53%</u>	<u>46.00%</u>	<u>45.33%</u>	<u>46.78%</u>	<u>48.16%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Total Personal Income	<u>\$ 230,921,848</u>	<u>\$ 262,083,017</u>	<u>\$ 347,760,471</u>	<u>\$ 324,085,038</u>	<u>\$ 337,873,929</u>	<u>\$ 333,510,853</u>	<u>\$ 338,462,263</u>	<u>\$ 336,932,927</u>	<u>\$ 282,437,017</u>	<u>\$ 319,408,262</u>
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(1) Information for 12/31/2024 not yet available
Source: Franklin County Area Tax Bureau

DEBT CAPACITY

These schedules contain trend information to help the reader assess the affordability of the Borough's current levels of outstanding debt and the Borough's ability to issue additional debt in the future.

These schedules include:

Ratios of Outstanding Debt by Type	Schedule 13
Ratios of General Bonded Debt Outstanding	Schedule 14
Legal Debt Margin Information	Schedule 15
Computation of Direct and Overlapping Debt	Schedule 16

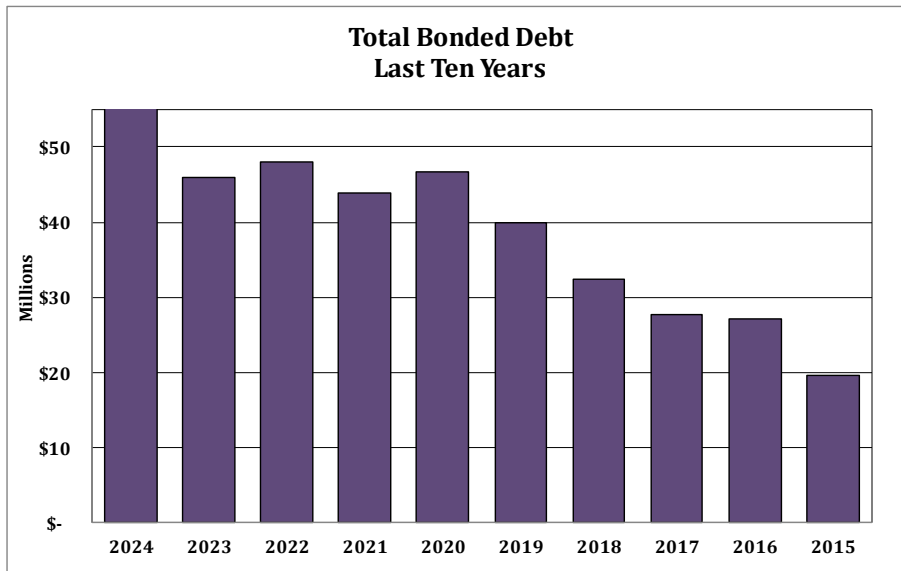
Schedule 13
Borough of Chambersburg, PA
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities (1)					Business Type Activities (1)												Total Primary Government	Percentage of Personal Income	Per Capita	Population	Per Capita Income
	General Obligation Bonds	Services General Obligation Notes	General Lease Liabilities	IT Subscription Liabilities	Electric Department General Obligation Bonds	Electric Department General Obligation Notes	Electric Department General Lease Liabilities	Sewer Treatment Plant General Obligation Bonds	Sewer Treatment Plant General Obligation Notes	Water Plant General Obligation Bonds	Sanitation Department General Obligation Bonds	Sanitation Department General Obligation Notes	Swimming Pool General Obligation Bonds	Storm Sewer General Obligation Bonds	Administrative Services General Obligation Notes	IT General Subscription Liabilities						
2024	\$ 7,950,492	\$ 2,257,026	\$ 13,336	\$ 17,397	\$ 9,602,446	\$ -	\$ 4,481,999	\$ 3,828,205	\$ -	\$ 6,490,516	\$ 4,775,257	\$ 1,677,057	\$ 6,639,966	\$ 6,397,189	\$ 5,483,119	\$ 32,814	\$ 59,646,819	8.138%	2,602	22,923	31,975	
2023	8,229,999	2,001,286	6,948	28,352	9,496,346	-	4,582,837	4,116,073	-	6,787,356	2,297,914	-	6,941,400	-	6,078,189	72,953	50,639,653	6.933%	2,264	22,364	32,662	
2022	8,502,538	2,026,530	227,822	-	9,945,066	-	4,720,406	4,396,663	-	7,049,660	2,410,031	-	7,229,802	-	6,385,797	-	52,894,315	8.258%	2,370	22,316	28,704	
2021	1,137,797	2,129,324	-	-	11,882,008	-	-	4,669,903	-	8,051,155	1,792,084	-	7,535,580	-	6,608,155	-	43,806,006	7.830%	2,000	21,903	25,542	
2020	1,177,460	2,458,894	-	-	12,635,624	1,101,101	-	-	4,738,899	8,345,029	1,193,905	693,010	7,704,219	-	6,591,139	-	46,639,280	8.004%	2,164	21,553	27,037	
2019	1,222,613	2,333,531	-	-	14,429,310	1,161,435	-	-	4,998,565	-	-	773,511	7,988,188	-	7,015,552	-	39,922,705	7.066%	1,888	21,143	26,721	
2018	1,266,583	2,432,984	-	-	5,885,427	1,221,769	-	-	5,258,231	-	-	849,160	8,264,034	-	7,198,783	-	32,376,971	6.337%	1,540	21,029	24,297	
2017	2,524,117	736,651	-	-	7,290,599	1,282,103	-	-	5,517,897	-	-	922,420	7,319,938	-	2,137,971	-	27,731,696	5.962%	1,328	20,878	22,278	
2016	2,526,457	-	-	-	8,996,973	1,342,437	-	185,081	5,777,562	-	-	993,365	7,326,725	-	-	-	27,148,600	6.296%	1,312	20,691	20,839	
2015	-	-	-	-	10,361,612	1,402,771	-	358,388	6,037,228	-	-	1,487,213	-	-	-	-	19,647,212	4.529%	950	20,691	20,967	

(1) Details regarding the Borough's outstanding debt can be found in the Note 7 in the current financial statements.
Source: Borough of Chambersburg Finance Department

Schedule 14
Borough of Chambersburg, PA
Ratios of General Bonded Debt Outstanding
Last Ten Years

General Bonded Debt Outstanding							
		Net Non-electoral Debt	Total Primary Government	% of Assessed Valuation	Debt per Capita	All Wards Total Real Est Assess	Population
2024	\$	55,101,273	\$ 55,101,273	25.76%	2,404	\$ 213,937,620	22,923
2023		45,948,563	45,948,563	21.77%	2,055	211,048,000	22,364
2022		47,946,087	47,946,087	22.94%	2,149	209,049,550	22,316
2021		43,806,006	43,806,006	21.05%	2,000	208,150,620	21,903
2020		46,639,280	46,639,280	22.53%	2,164	207,001,370	21,553
2019		39,922,705	39,922,705	19.44%	1,888	205,330,190	21,143
2018		32,376,971	32,376,971	15.96%	1,540	202,849,270	21,029
2017		27,731,696	27,731,696	13.77%	1,328	201,414,090	20,878
2016		27,148,600	27,148,600	13.68%	1,312	198,422,640	20,691
2015		19,647,212	19,647,212	9.93%	950	197,793,910	20,691



Source: Borough of Chambersburg Finance Department

Schedule 15
Borough of Chambersburg, PA
Legal Debt Margin Information
Last Ten Years

General Bonded Debt Outstanding

Fiscal Year	Three Year Average Revenue Borrowing Base	Legal Debt Limit	Total Debt Applicable to Limit	Legal Debt Margin (1)	Legal Debt Margin %
2024	\$ 87,106,822	\$ 217,767,054	\$ 59,646,819	\$ 158,120,235	72.61%
2023	82,091,822	205,229,556	50,639,653	154,589,903	75.33%
2022	77,132,281	192,830,702	52,894,315	139,936,387	72.57%
2021	69,694,249	174,235,622	43,806,006	130,429,616	74.86%
2020	67,407,971	168,519,928	46,639,280	121,880,648	72.32%
2019	65,870,111	164,675,278	39,922,705	124,752,573	75.76%
2018	64,522,316	161,305,789	32,376,971	128,928,818	79.93%
2017	62,572,053	156,430,133	27,731,696	128,698,437	82.27%
2016	62,459,273	156,148,183	27,148,600	128,999,583	82.61%
2015	60,905,538	152,263,844	19,647,212	132,616,632	87.10%

(1) Legal Debt Margin: (12/31/2024)

a	Average revenues past 3 yrs	87,106,822	(\$261,321,016 / 3)
b	Legal debt limit (2.5 time average rev)	217,767,054	
c	Debt outstanding @ 12/31/2023	(50,639,653)	
	Legal Debt Margin (b-c)	\$ 167,127,401	

Source: Borough of Chambersburg Finance Department

Schedule 16
Borough of Chambersburg, PA
Computation of Direct and Overlapping Debt
December 31, 2024

Jurisdiction	Total Debt Outstanding	Estimated Percentage Applicable (a)	Amount Applicable to Borough of Chambersburg
Direct			
Borough of Chambersburg (Governmental Activities)	\$ 10,238,251		\$ 10,238,251
Overlapping			
Chambersburg School Dist	124,935,000	28.1248%	35,137,682
County of Franklin	82,264,148	12.8203%	10,546,510
Total overlapping debt	207,199,148		45,684,192
Total	\$ 217,437,399		\$ 55,922,443

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the Borough's boundaries and dividing it by each unit's total taxable value.

Souces: Borough of Chambersburg Annual Comprehensive Financial Report
Franklin County Fiscal Department
Chambersburg Area School District

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Borough. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Borough. This process recognizes that, when considering the Borough's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Borough's financial activities take place. These schedules include:

Demographic and Economic Statistics Schedule 17

Principal Employers Schedule 18

Schedule 17
Borough of Chambersburg, PA
Demographic and Economic Statistics
Last Ten Years

Fiscal Year	Population (1)	Per Capita Personal Income (1)	Per Capita Household Income (1)	Median Household Income (1)	Median Age (1)	Educational Attainment Bachelor's Degree or Higher (1)	School Enrollment (2)	Unemployment Rate (3)	Median Value of Residential Property (1)	Total Assessed Property Value (4)	Total Personal Income (5)
2024	22,923	\$ 31,975	\$ 77,078	\$ 53,833	(6)	(6)	5,556	3.10%	\$ 219,778	\$ 213,937,620	(6)
2023	22,364	32,662	65,324	53,493	39.5	26.20%	5,694	3.10%	185,100	\$ 211,048,000	230,921,848
2022	22,316	28,704	63,480	51,861	39.8	24.60%	4,936	3.50%	159,900	\$ 209,049,550	262,083,017
2021	21,903	25,542	63,480	48,662	39.8	23.20%	4,893	4.80%	156,900	\$ 208,150,620	347,760,471
2020	21,553	27,037	63,480	49,023	37.6	27.10%	4,893	7.40%	154,700	\$ 207,001,370	324,085,038
2019	21,143	26,721	57,246	47,963	37.1	23.80%	4,595	3.80%	158,700	\$ 205,330,190	337,873,929
2018	21,029	24,297	57,246	45,846	35.4	23.40%	4,595	3.80%	158,100	\$ 202,849,270	333,510,853
2017	20,878	22,278	52,895	42,432	35.9	21.10%	4,644	4.50%	156,700	\$ 201,414,090	338,462,263
2016	20,691	20,839	51,243	41,751	35.6	22.30%	4,722	5.10%	157,300	\$ 198,422,640	336,932,927
2015	20,691	20,967	50,937	40,936	36.3	21.50%	4,548	5.10%	158,200	\$ 197,793,910	282,437,017

- (1) HomeTownLocator based on latest information available
- (2) Chambersburg Area School District
- (3) U.S. Bureau of Labor and Statistics
- (4) Franklin County Assessor's Office
- (5) Franklin County Area Tax Bureau
- (6) Information for 12/31/2024 not yet available

Schedule 18
Borough of Chambersburg, PA
Principal Employers
12/31/2024 and 12/31/2015

December 31, 2024

Employer	Employees	Rank	Percentage of Total Borough Employment
Wellspan Health	3,650	1	12.23%
Chambersburg School District	1,225	2	4.11%
Franklin County Government	676	3	2.27%
Ventura Foods	661	4	2.22%
Menno Haven, Inc	660	5	2.21%
Keystone Health	600	6	2.01%
Borough of Chambersburg	275	7	0.92%
Global Data Consultants	270	8	0.90%
Regal/Rexnard (formerly TB Woods, Inc.)	220	9	0.74%
Knouse Foods	180	10	0.60%
	<u>8,417</u>		<u>28.21%</u>
Total employees	<u>29,836</u> (1)		

December 31, 2015

Employer	Employees	Rank	Percentage of Total Borough Employment
Wellspan Health	2,899	1	15.19%
Chambersburg School District	1,100	2	5.76%
Franklin County Government	687	3	3.60%
Menno Haven, Inc	584	4	3.06%
Ventura Foods	423	5	2.22%
Farmers & Merchants Trust Co.	331	6	1.73%
Keystone Health	300	7	1.57%
Borough of Chambersburg	280	8	1.47%
Knouse Foods	205	9	1.07%
Regal/Rexnard (formerly TB Woods, Inc.)	200	10	1.05%
	<u>7,009</u>		<u>36.73%</u>
Total employees	<u>19,085</u> (2)		

(1) Total estimated employee count for 2024 not yet available; used 2023 total estimated employee count.

(2) Estimated by Franklin County Area Tax Bureau W-2 Forms Filed

Source: Franklin County Area Development Corporation
Franklin County Area Tax Bureau

OPERATING INFORMATION

These schedules contain service information and infrastructure data to help the reader understand how the information in the municipality's financial report relates to the services the municipality provides and the activities it performs. These schedules include:

Full-time Equivalent Municipal Employees by Function/Program	Schedule 19
Operating Indicators by Function/Program	Schedule 20
Capital Asset Statistics by Function/Program	Schedule 21

Schedule 19
Borough of Chambersburg, PA
Full-Time Equivalent Municipal Employees by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government:										
Administration	2	2	3	3	3	3	2	2	2	2
Clerical	17	16	15	15	15	15	13	13	14	14
Code enforcement	5	5	4	4	4	4	1	1	1	1
Community development	1	1	1	1	1	1	2	1	1	1
Engineering	8	5	5	5	5	5	5	5	5	4
Finance	26	27	24	27	26	26	23	23	22	22
Information technology	9	8	6	7	6	6	5	5	5	5
Personnel	7	5	5	5	4	4	4	4	3	3
Planning/zoning	0	0	0	0	0	0	1	1	1	1
Public information	0	0	0	0	0	0	0	0	0	0
Public works:										
Administration	6	5	4	4	4	4	3	3	3	4
Central garage	4	4	4	4	4	4	4	4	4	3
Labor/maintenance	5	5	5	6	6	6	6	6	6	6
Sanitation	14	14	15	14	13	13	11	10	10	12
Recreation:										
Administration	2	1	1	2	2	2	2	2	2	2
Labor/maintenance	6	7	3	6	6	6	6	3	3	3
Pool	0	0	0	0	0	0	0	0	0	0
Seasonal	0	0	0	0	0	0	0	0	0	0
Tennis	0	0	0	0	0	0	0	0	0	0
Public safety:										
Fire administration	2	2	2	2	2	2	2	2	2	2
Fire personnel	27	28	26	25	25	25	25	24	21	21
Police administration	2	1	1	1	1	1	1	1	1	1
Police personnel	34	35	34	34	34	34	35	35	35	34
911	0	0	0	0	0	0	0	0	0	0
Utilities:										
Administration	7	8	6	6	6	6	6	6	6	6
Electric distribution	12	12	10	12	11	11	9	9	9	9
Electric generation	13	13	12	12	12	12	12	12	12	11
Electric system maintenance	0	0	0	1	1	1	1	1	1	1
Gas distribution	10	8	6	8	8	8	8	8	8	8
Stores/warehouse/call center	9	6	6	6	6	6	6	6	6	6
Water distribution	2	3	2	2	2	2	2	2	2	2
Water treatment plant	8	8	9	9	9	9	7	7	7	7
Sewer collection/conveyance	10	7	6	7	7	7	6	7	6	5
Sewer treatment plant	14	13	12	14	12	12	13	13	11	11
Traffic signal/street lights	3	3	3	3	2	2	2	2	2	1
Storm sewer	2	2	2	1	2	2	1	1	1	1
Totals	267	254	232	246	239	239	224	219	212	209

Source: Borough of Chambersburg Human Resources Department

Schedule 20
Borough of Chambersburg, PA
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government:										
Lien letter & tax certification requests	52	24	52	52	77	94	81	227	244	185
Community development:										
Building permits issued	263	490	511	563	534	606	578	533	556	516
Estimated value of construction	\$ 44,383,880	\$ 76,366,125	\$ 39,819,337	\$ 68,182,066	\$ 6,982,335	\$ 8,289,541	\$ 15,134,264	\$ 10,996,813	\$ 52,165,922	\$ 17,519,123
Occupancy permits issued	308	344	348	299	200	180	269	130	156	98
Number of planning commission Agenda items	23	18	11	15	15	19	24	22	29	24
Public works:										
Roads resurfaced (linear feet)	15,701	5,529	151	359	0	989	13,995	7,630	3,795	3,611
Roads reconstructed (linear feet)	7,366	6,637	6,710	4,904	0	8,744	3,592	7,115	16,495	9,490
Tons of snow melting salt used	733	204		291	174	664	648	347	223	919
Recreation:										
Pool attendance	67,018	62,999	66,335	59,785	38,167	75,000	68,448	0	26,000	24,900
Number of utilization events (1)	3,530	18,027	16,822	14,368	8,675	19,570	15,000	1,681	1,720	1,750
Number of consumers served	162,880	5,133	152,084	125,023	81,203	137,816	111,480	105,337	90,800	95,200
Number of seasonal programs	181	173	152	143	98	205	201	229	278	309
Police:										
Calls for service	19,759	17,393	16,613	14,082	18,639	22,304	23,548	20,784	19,784	21,392
Total arrests	2,129	1,868	1,599	1,162	1,012	1,119	1,177	1,139	1,214	1,264
Part I offenses reported (major offenses)	509	482	482	590	669	763	898	906	1,002	1,047
Part I offenses cleared (percentage)	48.0%	45.0%	42.0%	45.0%	52.0%	47.0%	41.0%	41.0%	42.0%	41.0%
Part II offenses reported (major offenses)	797	734	746	557	1,455	1,615	1,704	1,753	1,906	2,045
Part II offenses cleared (percentage)	59.0%	66.0%	65.0%	60.0%	43.0%	37.0%	39.0%	39.0%	36.0%	33.0%
DUI arrests	77	85	92	92	115	131	116	128	157	155
Fire:										
Total number of responses	1,217	1,341	1,362	1,153	878	995	1,228	926	1,044	978
Responses involving loss	12	12	11	4	4	7	1	5	5	7
Structure fires	52	47	40	33	26	44	36	30	37	49
Volunteer hours	75	45	205	1,301	54,788	62,367	71,420	73,093	72,989	79,484
False alarms/false calls	294	275	240	231	110	131	165	118	115	130
Total calls for assistance	5,933	4,939	4,624	4,576	4,302	4,351	4,211	4,260	4,167	4,113
Utilities:										
Electric department										
Units billed (kwh)	321,334,572	314,970,638	316,011,089	317,417,606	298,902,132	310,284,238	317,159,888	300,587,452	312,197,885	319,635,858
Billed revenue	\$ 33,642,446	\$ 29,381,706	\$ 28,360,627	\$ 28,395,165	\$ 26,909,692	\$ 28,392,847	\$ 29,021,633	\$ 27,648,682	\$ 28,589,395	\$ 29,135,014
Gas department										
Units billed (100 cu. ft.)	11,043,825	11,025,089	11,751,733	11,642,164	10,611,581	11,267,743	12,071,013	10,152,671	9,905,831	11,130,033
Billed revenue	\$ 7,662,051	\$ 10,297,478	\$ 11,174,392	\$ 7,703,799	\$ 7,134,298	\$ 7,641,459	\$ 7,883,850	\$ 6,525,268	\$ 5,263,898	\$ 6,600,376
Water department										
Units billed (10 cu. ft.)	14,679,981	14,195,443	13,686,404	13,936,575	13,938,621	13,627,727	13,720,268	13,428,778	13,869,496	14,230,754
Billed revenue	\$ 5,090,611	\$ 4,517,495	\$ 3,617,602	\$ 3,398,765	\$ 3,361,002	\$ 3,173,005	\$ 3,005,145	\$ 2,877,281	\$ 2,891,533	\$ 2,870,909
Sewer treatment plant department										
Units billed (10 cu. ft.)	26,477,270	24,103,988	23,203,358	24,979,346	23,667,641	20,368,267	27,974,980	24,569,839	23,805,582	23,047,321
Billed revenue	\$ 7,525,338	\$ 7,302,400	\$ 6,711,299	\$ 6,956,556	\$ 6,657,706	\$ 6,270,847	\$ 6,432,192	\$ 6,212,330	\$ 5,604,837	\$ 5,457,716
Storm sewer department										
Fees billed	9,596	7,989	7,995	8,550	8,490	8,422	8,339	8,254	8,226	8,170
Billed revenue	\$ 1,326,780	\$ 1,109,684	\$ 1,102,584	\$ 510,780	\$ 405,825	\$ 402,039	\$ 399,544	\$ 395,872	\$ 295,134	\$ 293,302
Sanitation department										
Units billed (cu. yds.)	162,568	162,669	159,703	154,268	150,368	150,917	147,474	144,863	142,116	140,519
Billed revenue	\$ 2,120,202	\$ 1,894,350	\$ 3,515,169	\$ 3,462,572	\$ 1,475,791	\$ 1,338,749	\$ 1,311,329	\$ 1,296,451	\$ 1,268,049	\$ 1,139,021

(1) Recreation center usage only
Source: Borough of Chambersburg Designated Departments

Schedule 21
Borough of Chambersburg, PA
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government:										
Square footage occupied	76,646	76,646	76,646	76,646	76,646	76,646	76,646	45,912	45,912	45,912
Inspection vehicles	6	6	6	6	6	6	6	4	2	1
Other departmental vehicles	10	8	8	8	8	8	8	8	8	8
Public works:										
Number of traffic signals	48	48	48	48	48	48	48	48	48	47
Street lights	2,159	2,136	2,118	2,083	2,077	2,070	2,067	2,021	1,971	1,917
Vehicles	13	11	12	11	11	11	11	12	12	12
Recreation:										
Number of parks	17	16	16	16	16	16	16	16	16	16
Acreage of park lands	89	88	88	88	88	88	88	88	88	88
Recreation centers	1	1	1	1	1	1	1	1	1	1
Recreation center square footage	29,827	29,827	29,827	29,827	29,827	19,975	19,975	19,975	19,975	19,975
Tennis courts	5	5	5	11	7	7	7	5	5	5
Ball fields	1	2	2	3	2	2	2	3	3	3
Skate parks	1	1	1	1	2	2	2	2	2	2
Vehicles	4	4	4	4	4	4	4	4	3	3
Basketball Courts	9	6	6	-	-	-	-	-	-	-
Pickleball Courts	8	2	2	-	-	-	-	-	-	-
Public safety:										
Square footage of emergency services dept	24,817	24,817	24,817	24,817	24,817	24,817	24,817	24,817	24,817	18,947
Square footage of police department	38,732	23,684	38,732	15,048	15,048	15,048	15,048	15,048	15,048	15,048
Fire vehicles/ambulances	13	13	12	12	12	12	12	13	13	13
Police vehicles	15	15	16	16	15	14	14	14	14	14
Utilities:										
Electric department										
Value of plant in service	\$ 91,376,702	\$ 90,942,872	\$ 90,182,808	\$ 80,511,687	\$ 78,613,447	\$ 78,291,798	\$ 77,690,452	\$ 76,740,625	\$ 76,184,145	\$ 76,197,067
Vehicles	18	16	14	14	14	14	13	13	12	11
Gas department										
Value of plant in service	\$ 22,761,954	\$ 22,420,046	\$ 21,381,333	\$ 20,164,730	\$ 17,438,954	\$ 16,952,634	\$ 16,318,923	\$ 15,257,796	\$ 14,778,760	\$ 15,273,846
Vehicles	11	10	10	10	10	10	10	10	9	9
Water department										
Value of plant in service	\$ 31,184,635	\$ 29,143,370	\$ 27,012,857	\$ 21,892,713	\$ 21,201,166	\$ 21,089,385	\$ 20,848,324	\$ 20,725,371	\$ 20,641,646	\$ 32,739,259
Vehicles	10	10	10	10	10	9	9	8	8	7
Sewer treatment plant department										
Value of plant in service	\$ 91,714,192	\$ 91,889,849	\$ 91,724,510	\$ 91,590,824	\$ 90,696,693	\$ 87,993,282	\$ 87,414,623	\$ 87,225,919	\$ 44,262,120	\$ 44,269,756
Vehicles	8	8	8	8	8	8	8	7	7	6
Storm sewer department										
Value of plant in service	\$ 6,039,649	\$ 5,774,936	\$ 5,609,450	\$ 5,477,141	\$ 5,175,399	\$ 5,667,313	\$ 5,175,399	\$ 4,683,484	\$ 4,238,363	\$ 4,158,828
Vehicles	1	1	1	1	1	1	1	1	1	1
Sanitation department										
Value of plant in service	\$ 8,242,848	\$ 4,950,071	\$ 4,067,227	\$ 3,418,455	\$ 3,183,972	\$ 1,957,810	\$ 1,905,403	\$ 1,905,403	\$ 1,912,132	\$ 1,913,367
Vehicles	12	12	12	12	11	11	11	11	11	11

Source: Borough of Chambersburg Designated Departments
General Government and Public Safety square footage updated through re-evaluation



Single Audit Section

BOROUGH OF CHAMBERSBURG
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Source Code	ALN	Pass Through Grantor's Number	Grant Year	Cash Receipts	Accrual Expenditures	Total Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development Program							
Community Development Block Grant	D	14.228	B-20-MC-42-0024	2020-CV	\$ -	\$ 275,850	-
Community Development Block Grant	D	14.228	B-21-MC-42-0024	2021	35,665	35,665	-
Community Development Block Grant	D	14.228	B-22-MC-42-0024	2022	24,675	26,303	-
Total Community Development Block Grants					<u>60,340</u>	<u>337,818</u>	
Passed through the Pennsylvania Department of Community and Economic Development							
HOME Investment Partnerships Program	I	14.239	C000071395	2021	-	154,632	154,632
Total U.S. Department of Housing and Urban Development Program					<u>60,340</u>	<u>492,450</u>	
United States Department of Justice							
Passed through the Bureau of Justice Assistance							
The Patrick Leahy Bulletproof Vest Partnership Program	I	16.607	N/A	2023	11,192	17,897	-
Office of Community Oriented Policing Services							
COPS Hiring Program	D	16.710	N/A	2024	-	8,112	-
Total U.S. Department of Justice					<u>11,192</u>	<u>26,009</u>	
U.S. Department of Transportation Federal Highway Administration							
Passed through the Pennsylvania Department of Transportation							
Highway Planning and Construction	I	20.205	08A504	2017	125,496	166,458	-
Pipeline and Hazardous Materials Safety Administration	D	20.708	N/A	2022	959,940	1,472,944	-
Total U.S. Department of Transportation Federal Highway Administration					<u>1,085,436</u>	<u>1,639,402</u>	
U.S. Environmental Protection Agency							
Passed through the Pennsylvania Infrastructure Investment Authority							
Capitalization Grants for Drinking Water	I	66.468	P33005749-100	2020	713,102	555,448	-
Total U.S. Environmental Protection Agency					<u>713,102</u>	<u>555,448</u>	
United States Environmental Protection Agency							
Passed through the Chesapeake Bay Trust							
Green Streets, Green Jobs, Green Towns Award Program	I	66.964	N/A	2022	40,000	40,000	-
Total U.S. Environmental Protection Agency					<u>40,000</u>	<u>40,000</u>	
Total Receipts and Expenditures of Federal Awards					\$ 1,910,070	\$ 2,753,309	

BOROUGH OF CHAMBERSBURG
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

NOTE 1 REFERENCES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

- (D) Direct
- (I) Indirect

NOTE 2 GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the Federal awards program of the Borough of Chambersburg, Pennsylvania. The reporting entity is defined in Note 1 of the Borough's financial statements.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Borough's financial statements.

Indirect Cost Rate

The Borough has elected not to use the 10% de minimis indirect cost rate for its federal programs.

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

To the Mayor and Borough Council
Borough of Chambersburg
Chambersburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Chambersburg, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 30, 2025. The financial statements of the discretely presented component unit, Chambersburg Area Municipal Authority, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Chambersburg Area Municipal Authority.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

To the Mayor and Borough Council
Borough of Chambersburg
Chambersburg, Pennsylvania

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

REPORT ON COMPLIANCE AND OTHER MATTERS

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

BOROUGH OF CHAMBERSBURG, PENNSYLVANIA'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Borough of Chambersburg's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough of Chambersburg's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

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



Chambersburg, Pennsylvania
June 30, 2025



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Borough Council
Borough of Chambersburg
Chambersburg, Pennsylvania

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the Borough of Chambersburg’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Borough of Chambersburg’s major federal programs for the year ended December 31, 2024. The Borough of Chambersburg’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Chambersburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Chambersburg and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough of Chambersburg’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and the provisions of contracts or grant agreements applicable to the Borough of Chambersburg’s federal programs.

To the Mayor and Borough Council
Borough of Chambersburg

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Chambersburg's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough of Chambersburg's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough of Chambersburg's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Chambersburg's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in circumstances and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Chambersburg's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

To the Mayor and Borough Council
Borough of Chambersburg

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities of the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Smith & Elliott Reams & Company, LLC". The signature is written in a cursive, flowing style.

Chambersburg, Pennsylvania
June 30, 2025

BOROUGH OF CHAMBERSBURG
Schedule of Findings and Questioned Costs
December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified: Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

- Material weakness identified? Yes No
- Significant deficiencies identified that are not considered to be a material weakness(es)? Yes None Reported

Type of auditor's report issued on compliance for the major program: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516? Yes No

Identification of the major program(s):

Assistance Listing Number(s)	Name of Federal Program
20.708	Pipeline and Hazardous Materials Safety Administration

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

A. Material Weaknesses in Internal Control

Finding Reference: **2024-001 – Uncashed Checks**

Criteria: Internal control processes should include a review of revenues and potential receivables to ensure accurate financial reporting.

Condition: Lack of a centralized permit tracking process creates potential for permit revenues to not be identified or accurately recorded in the Borough's accounting software which leads to inaccuracies in external reporting.

Cause: The Borough does not have a sufficient internal tracking process developed to ensure receivables are being recorded related specifically to permits as they are collected and issued outside of the Finance department.

Effect: During the year, the Borough identified there were a number of checks that were not properly deposited and recorded within the accounting records for permits that had been issued in previous years. As a result, audit adjustments were needed to properly record this activity.

Recommendation: The Borough should create a process to ensure permits being issued within the zoning department are communicated with the finance department to ensure billings and collections are being done timely. In addition, they should record any necessary receivables associated with the permits should be recorded.

Views of Responsible Officials and Planned Corrective Actions: The Borough is conducting a comprehensive review to ensure that processes are in place for handling payments received for one-time services. Once the review is completed, the Borough will review best practices and implement the most reasonable solution to ensure all revenues are recognized appropriately, tracked and deposited.

B. Compliance Findings

There were no compliance findings related to the financial statement audit required to be reported.

Section III - Federal Award Findings and Questioned Costs

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None noted

B. Compliance Findings

There were no findings related to the major federal awards as required to be reported in accordance with the Uniform Guidance by 2 CFR Section 200.516.



Borough of Chambersburg

*A full service municipality in Franklin County
celebrating over 65 years of consumer owned natural gas service
over 120 years of community electric and a
regional wastewater, water, and municipal solid waste utility*

Summary Schedule of Prior Audit Findings December 31, 2023

Findings related to financial statements:

2023-001 - Proper recording of grants and SEFA reporting

<i>Condition:</i>	Lack of a centralized grant tracking process creates potential for grants awarded to not be identified or accurately recorded in the Borough's accounting software which leads to inaccuracies in external reporting.
<i>Status:</i>	The Borough has contracted with Maher Duessel, a regional CPA firm specializing in Single Audits and the public sector, to guide and aid the Borough in developing processes to track grant related projects, maintain compliance and record grant activity. Processes and tracking have been improved based on Maher Duessel guidance and staff adjusted to align responsibilities with strengths.

Findings related to federal awards:

None noted.