



CITY OF DUBOIS

Financial Statements

December 31, 2023

TABLE OF CONTENTS

Page

Independent Auditors' Report.....	1
-----------------------------------	---

BASIS FINANCIAL STATEMENTS

Government-Wide Financial Statements:

- Statement of Net Position – Modified Cash Basis 5
- Statement of Activities – Modified Cash Basis..... 6

Fund Financial Statements:

- Balance Sheet – Modified Cash Basis – Governmental Funds.....7
- Statement of Revenues, Expenditures, and Changes in
Fund Balances – Modified Cash Basis - Governmental Funds 8
- Reconciliation of the Statement of Revenues, and Expenditures, and
Changes in Fund Balances – Modified Cash Basis of the
Governmental Funds to the Statement of Activities 9

Proprietary Fund Financial Statements:

- Statement of Net Position – Modified Cash Basis 10
- Statement of Changes in Net Position – Modified Cash Basis 11

Fiduciary Fund Financial Statements:

- Statement of Fiduciary Net Position – Modified Cash Basis..... 12
- Statement of Changes in Fiduciary Net Position – Modified Cash Basis..... 13

Notes to Basic Financial Statements.....	14
--	----

REQUIRED SUPPLEMENTARY INFORMATION

- Statement of Revenues, Expenditures, and Changes in
Fund Balance – Modified Cash Basis - Budget and Actual - General Fund 36
- Schedule of Changes in Net Pension Liability – Police Plan 37
- Schedule of Changes in Net Pension Liability – Non-Uniform Plan..... 38
- Schedule of City Contributions – Police and Non-Uniform Pension Plans..... 39

- Schedule of Investment Returns – Police and Non-Uniform Pension Plans.....40

Supplementary Information

Nonmajor Governmental Funds Combining & Individual Financial Statements:

- Balance Sheets – Modified Cash Basis43
- Statement of Revenue, Expenditures, and Changes
in Fund Balance – Modified Cash Basis44

Custodial Funds Combining & Individual Financial Statements:

- Statement of Fiduciary Net Position – Modified Cash Basis45
- Statement of Changes in Fiduciary Net Position – Modified Cash Basis.....46

INDEPENDENT AUDITOR'S REPORT

City Council
City of DuBois
Dubois, PA

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Unmodified Opinions on Governmental Activities, Business-Type Activities, Major Funds, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of DuBois, as of December 31, 2023, and the respective changes in financial position – modified cash basis thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 2.

Adverse Opinion on the Reporting Entity

In our opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of our report, the primary government financial statements do not present fairly the modified cash basis financial position of the reporting entity of City of DuBois, as of December 31, 2023, the changes in financial position – modified cash basis for the year then ended in accordance with accounting principles generally accepted in the United States of America. In accordance with the modified cash basis of accounting described in Note 2, City of DuBois has issued separate reporting entity financial statements, for which we have issued our report dated February 4, 2025.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Governmental Auditing Standards* (GAS), 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 City of DuBois and to meet our 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 adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the Reporting Entity

The financial statements include only the primary government of City of DuBois, which consists of all funds, organizations, institutions, agencies, departments and offices that comprise City of DuBois's legal entity. These primary government financial statements do not include financial data for City of DuBois's legally separate component units, described in Note 1, which accounting principles generally accepted in the United States of America require to be reported with the financial data of City of DuBois's primary government.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Prior Period Adjustment

We draw attention to Note 10 of the financial statements, the City of DuBois identified multiple cash accounts not reflected in the City's accounting records which represents a correction of an error and resulted in a prior period adjustment to the City's fund balance for its Governmental Funds and net position for its Fiduciary Funds. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of DuBois's management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, 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 City of DuBois'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.
- Consider whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of DuBois'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 budgetary comparison information, schedules of net pension liability, City contributions and investment returns on pages 36 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omitted Required Supplementary Information

The City of DuBois has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. Our opinions on the modified cash basis financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dubois's basic financial statements. The other supplementary information in the financial section (as listed in the table of contents) is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information in the financial section 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024, on our consideration of the City of DuBois's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Dubois's internal control over financial reporting and compliance.



WESSEL & COMPANY
Certified Public Accountants

February 4, 2025

CITY OF DUBOIS
GOVERNMENT-WIDE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and cash equivalents (Note 3)	\$ 2,008,900	\$ 307,115	\$ 2,316,015
Unrestricted investments	2,353,143	-	2,353,143
Internal Balances (Note 5)	(441)	441	-
Total Assets	<u>\$ 4,361,602</u>	<u>\$ 307,556</u>	<u>\$ 4,669,158</u>
<u>LIABILITIES AND NET POSITION:</u>			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 2,204	\$ 2,694	\$ 4,898
Payroll liabilities	10,886	-	10,886
Total Liabilities	<u>13,090</u>	<u>2,694</u>	<u>15,784</u>
Net Position:			
Net position - unrestricted	3,675,359	304,862	3,980,221
Net position - restricted	673,153	-	673,153
Total Net Position	<u>4,348,512</u>	<u>304,862</u>	<u>4,653,374</u>
Total Liabilities and Net Position	<u>\$ 4,361,602</u>	<u>\$ 307,556</u>	<u>\$ 4,669,158</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 2,300,115	\$ 298,255	\$ 50,831	\$ -	\$ (1,951,029)	\$ -	\$ (1,951,029)
Public safety	2,853,259	488,614	185,618	-	(2,179,027)	-	(2,179,027)
Community development	322,657	105,798	338,524	-	121,665	-	121,665
Public works	3,266,751	3,818,547	273,700	-	825,496	-	825,496
Culture and recreation	676,850	133,136	32,435	-	(511,279)	-	(511,279)
Pension expense	1,258,673	-	349,673	-	(909,000)	-	(909,000)
Capital maintenance	3,378,015	-	-	705,613	(2,672,402)	-	(2,672,402)
Debt service	3,975,703	-	-	-	(3,975,703)	-	(3,975,703)
Total Governmental Activities	<u>18,032,023</u>	<u>4,844,350</u>	<u>1,230,781</u>	<u>705,613</u>	<u>(11,251,279)</u>	<u>-</u>	<u>(11,251,279)</u>
Business-type Activities:							
Sewer	38,699,455	4,520,789	-	1,718,413	-	(32,460,253)	(32,460,253)
Water	3,955,009	3,782,356	-	-	-	(172,653)	(172,653)
Total Business-type Activities	<u>42,654,464</u>	<u>8,303,145</u>	<u>-</u>	<u>1,718,413</u>	<u>-</u>	<u>(32,632,906)</u>	<u>(32,632,906)</u>
Total Primary Government	<u>\$ 60,686,487</u>	<u>\$ 13,147,495</u>	<u>\$ 1,230,781</u>	<u>\$ 2,424,026</u>	<u>\$ (11,251,279)</u>	<u>\$ (32,632,906)</u>	<u>\$ (43,884,185)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 1,394,888	\$ -	\$ 1,394,888
Other taxes					1,427,635	-	1,427,635
Fines and forfeits					44,828	-	44,828
Licenses and permits					201,406	-	201,406
Transfers in/(out)					3,104,444	(3,104,444)	-
Unrestricted investment earnings					164,337	850	165,187
Other revenues					657,178	-	657,178
Other financing sources					<u>325,614</u>	<u>36,012,919</u>	<u>36,338,533</u>
Total General Revenues and Transfers					7,320,330	32,909,325	40,229,655
Change in Net Position					(3,930,949)	276,419	(3,654,530)
Net Position - Beginning of Year, as originally stated					6,091,182	28,443	6,119,625
Prior Period Adjustment					<u>2,188,279</u>	<u>-</u>	<u>2,188,279</u>
Net Position - Beginning of Year, as restated					<u>8,279,461</u>	<u>28,443</u>	<u>8,307,904</u>
Net Position - End of Year					<u>\$ 4,348,512</u>	<u>\$ 304,862</u>	<u>\$ 4,653,374</u>

CITY OF DUBOIS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Nonmajor Governmental Funds	Totals
<u>ASSETS:</u>			
Assets:			
Cash and cash equivalents	\$ 1,335,747	\$ 673,153	\$ 2,008,900
Investments	2,353,143	-	2,353,143
Total Assets	<u>\$ 3,688,890</u>	<u>\$ 673,153</u>	<u>\$ 4,362,043</u>
<u>LIABILITIES AND FUND BALANCE:</u>			
Liabilities:			
Accounts payable	\$ 2,204	\$ -	\$ 2,204
Payroll liabilities	10,886		10,886
Due to other funds	441	-	441
Total Liabilities	<u>13,531</u>	<u>-</u>	<u>13,531</u>
Fund Balance:			
Restricted	-	673,153	673,153
Unassigned	3,675,359	-	3,675,359
Total Fund Balance	<u>3,675,359</u>	<u>673,153</u>	<u>4,348,512</u>
Total Liabilities and Fund Balance	<u>\$ 3,688,890</u>	<u>\$ 673,153</u>	<u>\$ 4,362,043</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Nonmajor Governmental Funds	Totals
Revenues			
Taxes	\$ 2,822,523	\$ -	\$ 2,822,523
Intergovernmental	1,324,170	612,224	1,936,394
Charges for services	4,844,350	-	4,844,350
Licenses and permits	201,406	-	201,406
Fines and forfeits	44,828	-	44,828
Interest and investment income	156,787	7,550	164,337
Other income	601,378	-	601,378
Total Revenues	<u>9,995,442</u>	<u>619,774</u>	<u>10,615,216</u>
Expenditures			
General government	2,160,976	139,139	2,300,115
Public safety	2,853,259	-	2,853,259
Community development	-	322,657	322,657
Public works	2,445,409	821,342	3,266,751
Culture and recreation	676,850	-	676,850
Pension expense	1,258,673	-	1,258,673
Capital expenditures	3,378,015	-	3,378,015
Debt service	3,975,703	-	3,975,703
Total Expenditures	<u>16,748,885</u>	<u>1,283,138</u>	<u>18,032,023</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(6,753,443)</u>	<u>(663,364)</u>	<u>(7,416,807)</u>
Other Financing Sources/(Uses)			
Operating transfers in	3,500,000	1,089,398	4,589,398
Operating transfers (out)	(1,484,954)	-	(1,484,954)
Proceeds from sale of assets	55,800	-	55,800
Other financing source	325,614	-	325,614
Total Other Financing Sources/(Uses)	<u>2,396,460</u>	<u>1,089,398</u>	<u>3,485,858</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(4,356,983)</u>	<u>426,034</u>	<u>(3,930,949)</u>
Fund Balance - Beginning of Year as originally stated	5,844,063	247,119	6,091,182
Prior Period Adjustment	2,188,279	-	2,188,279
Fund Balance - Beginning of Year	<u>8,032,342</u>	<u>247,119</u>	<u>8,279,461</u>
Fund Balance - End of Year	<u>\$ 3,675,359</u>	<u>\$ 673,153</u>	<u>\$ 4,348,512</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Net change in fund balance - total governmental funds (page 8)	\$ (3,930,949)
The compensated absences portion of accrued wages and benefits and other post employment benefits in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-
Contributions to the pension plan are recognized as an expenditure in the governmental funds when they are due, and thus requires the use of current financial resources. The net pension liability and deferred inflows and outflows related to the participation in the defined benefit pension plan in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-
The Other Post Employment Benefit (OPEB) liability and deferred inflows and outflows related to participation in the OPEB plan in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities.	-
The difference in the change in net position between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two accounting methods.	-
The net effect of various transactions involving capital assets, (i.e. purchases, disposals, depreciation, etc.) is a decrease in the change in net position.	-
Change in net position of governmental activities (page 6)	<u>\$ (3,930,949)</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 79,592	\$ 227,523	\$ 307,115
Due to other funds	-	441	441
Total Current Assets	<u>79,592</u>	<u>227,964</u>	<u>307,556</u>
Total Assets	<u>\$ 79,592</u>	<u>\$ 227,964</u>	<u>\$ 307,556</u>
 <u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Accounts payable	\$ 2,694	\$ -	\$ 2,694
Total Liabilities	<u>2,694</u>	<u>-</u>	<u>2,694</u>
Net Position:			
Unrestricted	<u>76,898</u>	<u>227,964</u>	<u>304,862</u>
Total Net Position	<u>76,898</u>	<u>227,964</u>	<u>304,862</u>
Total Liabilities and Net Position	<u>\$ 79,592</u>	<u>\$ 227,964</u>	<u>\$ 307,556</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
STATEMENT OF CHANGES IN NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities - Enterprise Funds		
	Sewer	Water	Total
Operating Revenues:			
Charges for services	\$ 4,520,789	\$ 3,782,356	\$ 8,303,145
Total Operating Revenues	<u>4,520,789</u>	<u>3,782,356</u>	<u>8,303,145</u>
Operating Expenses:			
Public works	2,095,253	2,286,099	4,381,352
Total Operating Expenses	<u>2,095,253</u>	<u>2,286,099</u>	<u>4,381,352</u>
Operating Income	2,425,536	1,496,257	3,921,793
Non-Operating Revenues (Expenses):			
Interest income	-	850	850
Debt service principal	(3,663,459)	(1,150,728)	(4,814,187)
Debt service interest	(223,671)	-	(223,671)
Capital grant	1,718,413	-	1,718,413
Capital outlay	(32,717,072)	(518,182)	(33,235,254)
Total Non-Operating Revenues (Expenses)	<u>(34,885,789)</u>	<u>(1,668,060)</u>	<u>(36,553,849)</u>
Income Before Other Financing Sources (Uses)	(32,460,253)	(171,803)	(32,632,056)
Other Financing Sources (Uses):			
Debt proceeds	36,012,919	-	36,012,919
Operating Transfers In	-	395,556	395,556
Operating Transfers (Out)	(3,500,000)	-	(3,500,000)
Total Other Financing Sources (Uses)	<u>32,512,919</u>	<u>395,556</u>	<u>32,908,475</u>
Change in Net Position	52,666	223,753	276,419
Total Net Position - Beginning	<u>24,232</u>	<u>4,211</u>	<u>28,443</u>
Total Net Position - Ending	<u>\$ 76,898</u>	<u>\$ 227,964</u>	<u>\$ 304,862</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Non-Uniform Pension Fund	Uniform Pension Fund	Custodial Funds	Total Fiduciary Funds
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
	<u>ASSETS</u>			
Assets:				
Cash and cash equivalents	\$ 221,741	\$ 706,116	\$ 62,507	\$ 990,364
Due from other governments	-	47,732	-	47,732
Investment assets, restricted	9,389,725	11,924,974	-	21,314,699
	<u>9,611,466</u>	<u>12,678,822</u>	<u>62,507</u>	<u>22,352,795</u>
Total Assets	<u>\$ 9,611,466</u>	<u>\$ 12,678,822</u>	<u>\$ 62,507</u>	<u>\$ 22,352,795</u>
	<u>LIABILITIES AND NET POSITION</u>			
Liabilities:				
Benefits payable	\$ -	\$ -	\$ -	\$ -
Escrow liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Pension benefits	9,611,466	12,678,822	-	22,290,288
Individual, organizations, other governments	-	-	62,507	62,507
	<u>9,611,466</u>	<u>12,678,822</u>	<u>62,507</u>	<u>22,352,795</u>
Total Net Position	<u>9,611,466</u>	<u>12,678,822</u>	<u>62,507</u>	<u>22,352,795</u>
Total Liabilities and Net Position	<u>\$ 9,611,466</u>	<u>\$ 12,678,822</u>	<u>\$ 62,507</u>	<u>\$ 22,352,795</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Non-Uniform Pension Fund	Uniform Pension Fund	Custodial Funds	Total Fiduciary Funds
<u>Additions</u>				
Contributions:				
Employee	\$ -	\$ 38,987	\$ -	\$ 38,987
Employer	849,957	345,372	-	1,195,329
Taxes collected for other governments	-	151,525	607,806	759,331
Fire escrow	-	-	-	-
Sewer escrow	-	-	-	-
Other	7	-	-	7
Total Additions	849,964	535,884	607,806	1,993,654
Investment Income:				
Interest and dividends	-	307,752	-	307,752
Net appreciation of investments	1,253,659	851,478	-	2,105,137
Total Investment Income	1,253,659	1,159,230	-	2,412,889
Total Additions	2,103,623	1,695,114	607,806	4,406,543
<u>Deductions</u>				
Benefits	891,938	410,903	-	1,302,841
Tax payments to other governments	-	-	682,413	682,413
Fire escrow funds released	-	-	8,540	8,540
Sewer escrow funds released	-	-	440	440
Administrative expenses	40,826	65,045	-	105,871
Total Deductions	932,764	475,948	691,393	2,100,105
Change in Net Position	1,170,859	1,219,166	(83,587)	2,306,438
Net Position				
Beginning of Year, as originally stated	8,440,607	11,459,656	22,043	19,922,306
Prior Period Adjustment	-	-	124,051	124,051
Beginning of Year, restated	8,440,607	11,459,656	146,094	20,046,357
End of Year	\$ 9,611,466	\$ 12,678,822	\$ 62,507	\$ 22,352,795

See Independent Auditor's Report and Accompanying Notes to Financial Statements

CITY OF DUBOIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 REPORTING ENTITY

The City of DuBois, Pennsylvania, a city of the third class, was created by charter granted by the Governor of the Commonwealth of Pennsylvania on December 28, 1914. The City is a municipal corporation governed by an elected mayor and a four-member council. The City provides what are considered general government services including public safety, streets, parks and recreation, community and economic development, planning and zoning, permits and inspection, general administrative, and water and wastewater services.

Consistent with the guidance contained in GASB Statement No. 14, The Financial Reporting Entity, the criteria used by the City to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity, are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the City reviews the applicability of the following criteria:

The City is financially accountable for:

- (a) Organizations that make up the legal City entity.
- (b) Legally separate organizations if City officials appoint a voting majority of the organization's governing body and the City is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City as defined below:

Impose its Will - If the City can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

Financial Benefit or Burden - Exists if the City:

- (1) is entitled to the organization's resources, or
- (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or
- (3) is obligated in some manner for the debt of the organization.

- (c) Organizations that are fiscally dependent on the City. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the City.

The financial statements include only the primary government of the City, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The primary government financial statements do not include financial data for the City's legally separate component units or joint ventures/jointly governed organizations.

However, based on the foregoing criteria, the organizations listed below have been identified as component units which would otherwise be included in the City's financial reporting entity, or as joint ventures/jointly governed organizations for which disclosure of pertinent financial information is required in accordance with generally accepted accounting principles:

Includible Component Units

Redevelopment Authority of the City of DuBois
DuBois Housing Authority
Hospital Authority of the City of DuBois
DuBois Public Library

Joint Ventures/Jointly Governed Organizations

DuBois, Falls Creek, Sandy Township Joint Transportation Authority

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared on the modified cash basis of accounting, which differs from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The modified cash basis differs from generally accepted accounting principles primarily because the effects of accounts receivable, capital assets and related depreciation, deferred inflows, long-term debt obligations, other liabilities, and deferred outflows are not included in the financial statements.

Significant accounting policies of the City are described below.

a. *Basis of Presentation*

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities which report financial information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type 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 of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a

particular program. Revenues that are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

The City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the City, or if the fund meets the following criteria: total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by type.

b. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between its governmental fund assets and its liabilities as fund balance.

The following is the City's major governmental fund:

General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

The other governmental funds of the City account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income and expenses, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing or delivering goods or services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's proprietary funds are classified as enterprise funds, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges in a manner similar to private business enterprises. The following are the City's major enterprise funds:

Sewer Fund

The Sewer Fund accounts for the operation and maintenance of the City's sanitary sewer collection and disposal system.

Water Fund

The Water Fund accounts for the operation and maintenance of the City's water supply and distribution system.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trust or custodial capacity for individuals, private organizations, or other governments. Fiduciary funds are not included in the government-wide financial statements.

Pension Trust Funds

Two separate pension trust fund accounts are maintained for the revenues received, expenses incurred, and the net assets of the City's Non-Uniformed Employees' Pension and Police Pension plans.

Custodial Funds

Custodial Funds are used to report fiduciary activities that are not required to be reported in pension and other employee benefit trust funds, investment trust funds, or private-purpose trust funds. The City's custodial fund is managed by the City Treasurer for payments received and disbursed on behalf of other local governments.

c. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements and proprietary fund financial statements are reported using the economic resources measurement focus and are accounted for on the modified cash basis of accounting. The economic resources measurement focus means all assets and liabilities associated with the operation of the City are included, within the limitations of the modified cash basis of accounting, on the statement of net position and the statement of activities present increases (revenues) and decreases (expenses) in total net position.

Fund Financial Statements

Governmental and proprietary fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified cash basis of accounting. With this measurement focus, only current assets and current liabilities are included on the balance sheet, within the limitations of the modified cash basis of accounting, and inflows (revenues and other financing sources) and outflows (expenditures and other financing uses) of expendable financial resources are included on the statement of revenues, expenditures, and changes in fund balance.

Fiduciary fund financial statements are also prepared using the economic resources measurement focus and the modified cash basis of accounting.

The effects on the financial statements of the significant differences between the cash basis of accounting and GAAP are that revenues are recorded when received rather than earned and expenditures are recognized when paid rather than incurred. Only cash and interfund receivables are recognized as assets while no fixed assets, nor infrastructure assets, are capitalized and depreciated; and, only payroll taxes payable and interfund payables are recognized as liabilities while other long-term obligations, such as notes payable and compensated absences, are not recognized.

If the City utilized GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financial statements and the fund financial statements for proprietary and fiduciary funds would use the accrual basis of accounting.

d. Investments

Investments of all funds are stated at cost due to reporting on the modified cash basis of accounting.

e. Budgets and Budgetary Accounting

The administration submits to City Council proposed operating budgets in accordance with the Administrative Code. Prior to the inception of the calendar year, the budgets are legally enacted by Council through passage of budget ordinances. All transfers of budgeted amounts between departments, as well as all budget amendments, require the approval of City Council. Transfers among programs within a department require the approval of the City Manager.

The budgets are prepared on the cash receipts and disbursements basis of accounting, for the following funds:

- General Fund

Formal budgetary integration is employed as a management control device on a cash receipts and disbursements basis of accounting during the year for the aforementioned funds.

f. Cash and Cash Equivalents

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. For purposes of the statement of cash flows, highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

g. *Interfund Transactions*

Interfund activity is reported as loans, services provided, reimbursements, or transfers, as applicable. Loans are amounts provided between funds with a requirement for repayment and are reported as interfund receivables and payables on the fund financial statements. Transfers are flows of resources between funds without requirement for repayment and are reported as transfers in and transfers out on the fund financial statements. Loans and transfers within governmental activities or business-type activities are eliminated on the government-wide financial statements, while loans and transfers between governmental activities and business-type activities are not eliminated.

h. *Net Position*

In the government-wide and proprietary fund financial statements, net position represents the difference between assets less liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

i. *Fund Balance*

In the governmental fund financial statements, fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable fund balance - Fund balances are reported as nonspendable when amounts cannot be spent because they are not in spendable form (items that are not expected to be converted to cash) or because they are legally or contractually required to be maintained intact.

Restricted fund balance – Fund balances are reported as restricted when there are limitations imposed on their use whether through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed fund balance – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a formal resolution or ordinance. Only the City Council may modify or rescind the commitment.

Assigned fund balance – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

Commonwealth of Pennsylvania statutes provide for the investment of moneys of governmental and proprietary funds into certain authorized investment types, including United States Treasury bills, short-term obligations of the United States Government or its agencies or instrumentalities, obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental and proprietary funds, investments of the City's Pension Plans may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The deposit and investment policy of the City adheres to the Commonwealth statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth statutes or the policy of the City.

Cash Deposits

The City's cash deposits with financial institutions include demand deposit accounts and time and savings deposits, including nonnegotiable certificates of deposit through local financial institutions, which are reported as cash and cash investments in the financial statements. Cash deposits are categorized to give an indication of the level of custodial credit risk assumed by the City at December 31, 2023. Category 1 includes cash deposits which are insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the City or by its agent in the City's name. Category 2 includes cash deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 cash deposits are uninsured and uncollateralized, or collateralized in accordance with Act 72, a Commonwealth statute which permits the financial institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 4,669,158
Fiduciary funds:	
Cash and investments	22,305,063
Total Cash and Investments	<u>\$ 26,974,221</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 3,134,026
Investments	23,840,195
Total Cash and Investments	<u>\$ 26,974,221</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a written investment policy on interest rate risk.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's general fund investments which consisted entirely of corporate bonds by maturity:

Investment Type	Remaining Maturities (Years)				
	<1	1-5	5-10	10+	N/A
Corporate Bonds	\$ 65,233	\$ 1,210,782	\$ 37,003	\$ 222,114	\$ ---

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the total amount of investments within each rating at December 31, 2023:

S&P Rating	General Fund
AA	\$ 50,720
A	266,022
B	15,612
BBB	1,185,688
Not Rated	17,090
Total	<u>\$ 1,535,132</u>

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Pennsylvania Government code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Pennsylvania Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool equal at least one hundred ten percent (110%) of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks related to deposits and investments, as of December 31, 2023. Entity Investments by the following investment types were uncollateralized, which includes deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not the City's name. The fair value of all the City's securities were held by a counterparty.

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 price models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-based 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 fiduciary net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Stocks: Valued at the closing price reported on the active market on which the securities are traded. Such investments are generally classified within Level 1 of the valuation hierarchy.

Corporate Bonds: Corporate debt obligations consisting of bonds 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.

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, 2023:

	Fair Value Measurements at Reporting Date		
	Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Cash Equivalents	\$ 818,010	\$ ---	\$ ---
Corporate Bonds	---	1,535,132	---
	<u>\$ 818,010</u>	<u>\$ 1,535,132</u>	<u>\$ ---</u>

Note: None of the investment disclosures above include details on the City's pension investments. Those disclosures can be obtained from the financial statements of the Non-Uniform and Police Pension plans maintained by the third-party administrators.

NOTE 3 PROPERTY TAXES

The City is permitted by law to levy separate and different rates of taxation for general City purposes on all real estate classified as land, exclusive of the buildings thereon, and on all real estate classified as buildings on land. As a result, higher rates may be levied on land if the respective rates on lands and buildings are so fixed so as not to constitute a greater levy in the aggregate than a rate of 25 mills on both land and buildings. Additional levies for certain other purposes are permitted at specific maximum millage rates as provided for in the City Code. Assessed value is 25% of market value. The City's net taxable assessed value for 2023 was \$59,682,027. The real estate tax millage rates for 2023 were:

<u>Taxable Assessed Value</u>	<u>Purposes</u>	<u>Millage</u>
Taxable property of the City	General	20.00
Total real estate	Library and Recreation	3.50

The following is a summary of the tax calendar for the year ended December 31, 2023:

Mailing Date – March 1, 2023
Discount Period at 2% -- March 1, 2023 to April 30, 2023
Face Period – May 1, 2023 to June 30, 2023
Penalty Period at 10% -- July 1, 2023 to December 31, 2023

Local Services Taxes

Emergency and Municipal Services taxes are also collected at various times by the City tax collector. The amount imposed on taxable residents is \$47.00.

Earned Income Taxes

The City also levies a one-half percent tax on the annual earned income of City residents. The tax is collected at various times throughout the year and remitted to the City by an appointed collection agency.

NOTE 4 INTERFUND BALANCES

Interfund balances resulted from the timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between the funds are made. As of December 31, 2023, there was an interfund balance of \$441 between the Water Fund and General Fund.

NOTE 5 INTERFUND TRANSFERS

Transfers are used to move revenues from the fund that statute or budget requires them to be collected in to the fund that statute or budget requires them to be expended and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Sewer Fund	\$ 3,500,000
Liquid Fuels Fund	General Fund	841,898
Health Insurance Fund	General Fund	247,500
Water Fund	General Fund	395,556
		<u>\$ 4,984,954</u>

NOTE 6 LONG TERM DEBT

The following represents the changes in long term debt for the City for the year ended December 31, 2023:

	Balance 12/31/22	Additions	Reductions	Balance 12/31/23	Amounts Due Within One Year
Governmental Activities:					
Notes Payable	\$ 1,581,932	\$ ---	\$ 62,368	\$ 1,519,564	\$ 69,345
Business Activities:					
Notes Payable	18,774,231	36,012,919	7,812,859	46,974,291	865,223
Total long-term debt	<u>\$ 20,356,163</u>	<u>\$ 36,012,919</u>	<u>\$ 7,875,227</u>	<u>\$ 48,493,855</u>	<u>\$ 934,568</u>

Description of Debt

Pertinent information regarding long-term debt outstanding is presented below as of December 31, 2023:

Amount of Original Issue		Balance Outstanding
\$ 1,484,050	Guaranteed Revenue Note issued to the Pennsylvania Infrastructure Investment Authority (Pennvest) for a loan to partially finance a sewer system construction project, dated August 17, 2006, simultaneous with a grant from Pennvest of \$1,642,241 for the project. Interest is 1.252% during the initial sixty-six months which consists of construction time and the first five years of amortization, 2.416% during the remaining one hundred eighty months. Interest only is payable until February 1, 2007, \$6,928 is due monthly beginning March 1, 2007, and ending February 1, 2012 and from March 1, 2012 through February 1, 2027 maturity \$7,532 is payable monthly.	\$ 275,275
9,000,000	General Obligation Note issued to S&T Bank, dated December 14, 2012, to satisfy remaining balance of General Obligation Bond Series of 2009 and for funding of capital projects, secured by the full faith, credit and taxing power of the City. The note is repayable in monthly installments of \$46,915 with a current interest of 4.78% and a maturity date of December 14, 2037. The Sewer Fund is responsible for 21.64% of the debt and the Water Fund is responsible for 78.36% of the debt.	5,726,571
4,664,523	General Obligation Note issued to S&T Bank, dated March 8, 2013, for funding of capital projects, secured by the full faith credit and taxing power of the City. The note is repayable in monthly installments of \$24,265 with a current interest rate of 4.72% and a maturity date of March 8, 2028. The Sewer Fund is responsible for 37.73% of the debt, the Water Fund is responsible for 36.62% of the debt, and the General Fund is responsible for 25.65% of the debt.	3,010,617
4,400,000	General Obligation Note issued to S&T Bank, dated May 7, 2015, to satisfy remaining balance of General Obligation Bond Series of 2011 and to provide funding for capital projects, secured by the full faith, credit, and taxing power of the City. The note is repayable in monthly installments of \$20,482, including interest of 2.79%, and a maturity date of May 7, 2040. The interest rate is set initially at 2.79% and is scheduled to be adjusted	3,259,660

after 7 years to a rate equal to tax-free equivalent of the 30-day LIBOR plus 175 basis points, with a maximum rate of 6%. As of May 7, 2022, the monthly payment is \$23,823 with a current interest rate of 4.70%. The Water Fund is responsible for 77.10% of the debt and the General Fund is responsible for 22.90% of the debt.

3,500,000	General Obligation Note issued to S&T Bank, dated January 2021, for funding of capital projects, secured by the full faith credit and taxing power of the City. The note is repayable in interest only monthly installments, with all unpaid principal and accrued interest due in full at maturity of December 1, 2024, with a current interest rate of 2.15%. This loan was repaid in full during 2023.	---
4,500,000	General Obligation Note issued to NexTier Bank, dated, January 2021 for funding of capital projects, secured by the full faith credit and taxing power of the City. The note is repayable in monthly installments of \$29,013, with a current interest rate of 2.06% and a maturity date of January 1, 2036. The interest rate is set initially at 2.06% scheduled to be adjusted every 5 years not to exceed 6.5%.	3,708,813
3,500,000	General Obligation Note issued to S&T Bank, dated January 2021, for funding of capital projects, secured by the full faith credit and taxing power of the City. The note is repayable in interest only monthly installments, with all unpaid principal and accrued interest due in full at maturity of December 1, 2024, with a current interest rate of 2.15%. This loan was repaid in full during 2023.	---
32,512,919	Guaranteed Revenue Note issued to the Pennsylvania Infrastructure Investment Authority (Pennvest) for a loan to substantially finance a Wastewater Recovery Facility construction project, dated February 28, 2023, for a sum of \$88,317,000. simultaneous with a grant from Pennvest of \$4,433,103 for the project. Interest is 1.00%.	32,512,919
Total Long-Term Debt Outstanding		<u>\$ 48,493,855</u>

Debt Maturity

An analysis of debt service requirements to maturity on these obligations follows:

Year	Principal	Interest	Total
2024	\$ 934,568	\$ 644,017	\$ 1,578,585
2025	971,001	607,586	1,578,587
2026	1,003,938	586,354	1,590,292
2027	968,817	546,152	1,514,969
2028	994,063	505,843	1,499,906
2029-2033	5,644,629	1,854,903	7,499,532
2034-2038	5,065,036	590,395	5,655,431
2039-2040	398,884	14,112	412,996
	<u>\$ 15,980,936</u>	<u>\$ 5,349,362</u>	<u>\$ 21,330,298</u>

Note: The above table excludes the current Pennvest construction project with total debt outstanding in the amount of \$32,512,919. The final amortization schedule will not be available until the project is fully completed.

Plan Description

The City maintains two (2) Single Employer defined benefit pension plans. All plans provide retirement benefits, death benefits for surviving spouses and disability benefits to plan members. These benefits are established and may be amended by the individual pension boards, which are established by City Council.

*Police Pension Plan**Plan Administration*

The Police Retirement Plan is a single-employer defined benefit pension plan that covers all fulltime uniformed employees of the City. The plan is governed by the City Council which is responsible for the management of plan assets. The City Council has delegated the authority to manage certain plan assets to S&T Trust. Financial statements of the plan are separately issued and can be obtained by contacting the City.

Method Used to Value Investments

Plan investments are reported at fair value as reported by the S&T Wealth Management.

Benefits Provided

The plan provides retirement, disability, and death benefits. The monthly retirement benefit is equal to 50% of final monthly average salary, defined as the last calendar year of employment or average of highest 5 years, if greater, plus service increment of 1/40 of the retirement benefit for each completed year of service in excess of 20 years up to a maximum of \$500. Service after age 65 is not included. Members with 20 years of service are eligible to retire at age 50. Members are eligible for service-related monthly disability benefits equal to the retirement benefit if hired before January 1, 2004, or the retirement benefit offset by worker's compensation if hired on or after January 1, 2004. There are no nonservice-related disability benefits. For active members that were hired before January 1, 2004, 25% of the member's compensation at the date of death is payable to the member's spouse until death or remarriage for members with less than 10 years of service completed; for members with 10 or more years of service completed, 50% of the member's compensation at the date of death is payable to the member's spouse until death or remarriage. For active members that were hired on or after January 1, 2004, the death benefit is the refund of member contributions for members before retirement eligibility; for members after retirement eligibility or after retirement, the monthly death benefit is equal to 50% of the pension the member was receiving or was entitled to receive on the day of the member's death. Inactive member death benefits payable to the member's spouse for deferred vested members is equal to 50% of the deferred vested benefit commencing at normal retirement date; for retired members, a monthly death benefit equal to 50% of the pension the member was receiving is payable to the member's spouse until death or remarriage.

Net Pension Liability of the City's Plan

The components of the net pension liability of the City's plan at December 31, 2023, were as follows:

Total Pension Plan Liability	\$12,671,964
Plan Fiduciary Net Position	<u>(12,678,822)</u>
Net Pension Liability/(Asset)	<u>\$ (6,858)</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 100.1%.

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.5 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>-1% (5.5%)</u>	<u>Current Discount Rate (6.5%)</u>	<u>+1% (7.5%)</u>
Net pension liability/(asset)	<u>\$ 1,676,432</u>	<u>\$ (6,858)</u>	<u>\$(1,385,964)</u>

Pension expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

Components of Pension Expense	<u>12/31/23</u>
Service Cost	\$ 368,832
Interest on total pension liability	786,143
Recognition of differences between expected and Actual experience	(103,536)
Amortization of changes in assumptions	58,353
Employee contributions	(38,987)
Projected earnings on pension plan investments	(732,499)
Recognition of differences between projected and Actual earnings on plan investments	(230,049)
Pension plan administrative expense	<u>65,045</u>
Total pension expense	<u>\$ 173,302</u>

At December 31, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to pension expense from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows of Resources
Differences between the Expected and actual experience	\$ 5,039	\$ 185,247
Changes of assumptions	87,530	---
Net difference between projected and Actual earnings on plan investments	1,085,383	975,478
Total	<u>\$ 1,177,952</u>	<u>\$ 1,160,725</u>

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

Year Ended	Amount
2024	\$ (171,117)
2025	1,510
2026	275,499
2027	(86,295)
2028	(948)
Thereafter	(1,422)
Total	<u>\$ 17,227</u>

Non-Uniform Pension

Plan Administration

The Non-Uniformed Pension Plan is a single-employer defined benefit pension plan that covers all full-time non-uniformed employees of the City and which is controlled by the provisions of Ordinance No. 1776, as amended, adopted pursuant to Act 317. The plan is governed by the City Council which is responsible for the management of plan assets. The City Council has appointed a Committee as the official body to which all related investment matters are delegated. The Pension Board consists of seven members: two administration participants, two union participants, two retired individuals, and one Council member. The City has delegated the authority to manage certain plan assets to Girard Pension Services, LLC., with Nationwide Financial as custodian.

Method Used to Value Investments

Plan investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair value.

Benefits Provided

The plan provides retirement, disability, and death benefits. The monthly retirement benefit shall be 2.5% for each year of service, up to a maximum of 90%, times the average monthly salary over the participants highest five consecutive years of employment. For participants hired on or after January 1, 2013, the monthly retirement benefit shall be 50% of the member's average annual salary received during the last or any five years of employment, whichever is higher. Participants with 12 years of service are eligible to retire

at age 60; participants are eligible for voluntary early retirement after 20 years of service, and involuntary retirement after 8 years of service with benefits actuarially reduced for each year or partial year prior to age 60. For participants hired on or after January 1, 2013, members with 20 years of service are eligible to retire at age 60 and a benefit is available prior to attaining age 60 and 20 years of service if the member continues paying monthly employee contributions equal to the last amount due while in active employment until reaching age 60. Participants are eligible for service-related monthly disability benefits equal to 50% of salary at the time the disability was incurred, reduced by any available worker's compensation benefits received for the same injuries. After 10 years of service, participants, who are certified to be unable to engage in any gainful employment, are eligible for nonservice-related monthly disability benefits equal to 30% of salary at the time the disability was incurred. For participants hired on or after January 1, 2013, an employee who becomes totally and permanently disabled after 10 years of service and before attaining the age of 60 shall be entitled to a benefit equal to a normal retirement benefit with no distinction made between service and non-service related disability. For members eligible to retire at the time of death, a beneficiary will receive death benefits equal to the present value of the accrued benefit. At retirement, the member may select a death benefit for a beneficiary.

Net Pension Liability of the City's Plan

The components of the net pension liability of the City's plan at December 31, 2023, were as follows:

Total Pension Plan Liability	\$	15,550,708
Plan Fiduciary Net Position		9,684,388
Net Pension Liability/(Asset)	\$	<u>5,866,320</u>

Plan Fiduciary Net Position as a percentage of the total pension liability is 62.3%.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made equal to the Minimum Municipal Obligation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 8.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	<u>-1% (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>+1% (9.0%)</u>
Net pension liability	<u>\$7,360,102</u>	<u>\$5,866,320</u>	<u>\$4,581,334</u>

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

Components of Pension Expense	12/31/23
Service Cost	\$ 256,426
Interest on total pension liability	1,184,771
Recognition of differences between expected and Actual experience	175,654
Change in benefit terms	---
Amortization of changes in assumptions	109,055
Employee contributions	(78,175)
Projected earnings on pension plan investments	(664,387)
Recognition of differences between projected and Actual earnings on plan investments	84,109
Other changes in fiduciary net position	---
Total pension expense	<u>\$ 1,067,453</u>

At December 31, 2023, the Plan reported deferred outflows of resources and deferred inflows of resources related to pension expense from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between the Expected and actual experience	\$ 389,562	\$ ---
Changes of assumptions	468,193	---
Net difference between projected and Actual earnings on plan investments	905,339	---
Total	<u>\$ 1,763,094</u>	<u>\$ ---</u>

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

Year Ended	Amount
2024	\$ 496,301
2025	551,080
2026	600,053
2027	2,988
2028	112,672
Thereafter	---
Total	<u>\$ 1,763,094</u>

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board with the assistance of Girard Pension Services. It is the policy of City Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the City's adopted asset allocation policy for these investments as of December 31, 2023:

<u>Asset Class</u>	<u>Asset Weighting Range</u>	<u>Target Allocation</u>
Domestic Equity	49%-59%	54%
International Equity	1%-11%	6%
Fixed Income	32%-42%	37%
Cash & Equivalents	1%-10%	3%
Total	<u>100.0%</u>	<u>100%</u>

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of inflation and investment expenses not funded through the MMO) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The following was the City's target asset allocation as of December 31, 2023:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return Net of Investment Expense & Inflation</u>
Equities	8.3% – 12.2%
Fixed Income	1.0% – 5.5%
Cash	0.0% – 1.0%

Rate of Return on Investments

For the 2023 measurement period, the annual money-weighted rate of return on the City's combined pension plan investments, net of pension plan investment expense, was 14.28%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Plan Membership

The most recent plan financial statements, for the year ending December 31, 2023, reflects the following numbers of participants in the plans:

	<u>Police</u>	<u>Non-Uniform</u>	<u>Total</u>
Participants:			
Retirees and beneficiaries	13	30	43
Deferred vested	-	2	2
Active employees	<u>17</u>	<u>40</u>	<u>57</u>
	<u>30</u>	<u>72</u>	<u>102</u>

Summary of Significant Accounting Policies

The City of DuBois maintains a pension trust fund to account for all two (2) pension plans. The pension trust fund is presented on the cash basis of accounting in the City's financial statements. Employer contributions to each plan are recognized when due as required by Act 205. Benefits and refunds are recognized when due and payable in accordance with the terms of the individual plan. Investments of the plans are reported at fair market value.

NOTE 9 COMMITMENTS AND CONTINGENCIES

a. Litigation

In the normal course of operations, the City is involved in various disputes and grievances with formal employees. The City's 2022 audit noted in great detail the allegations and investigations involving two former employees. Those investigations and/or cases are ongoing as of the date of this report. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the City's financial position.

b. Grant Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the City Council believes such disallowances, if any, will be immaterial.

c. Risk Financing

The City is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE 10 PRIOR PERIOD ADJUSTMENT

During the course of the audit, thirteen (13) cash and investment accounts were identified under the City's employer identification number that were not previously recorded in the general ledger. The following adjustment represents the cash balance at the beginning of the year. Additional audit adjustments were made to record current year activity in these accounts.

Fund Balance Beginning of the Year, originally stated	\$ 5,844,063
Cash accounts, January 1, 2023, balance	<u>2,188,279</u>
Fund Balance Beginning of the Year, as re-stated	<u>\$ 8,032,342</u>

During the course of the audit, one custodial cash account was identified that was not previously recorded in the general ledger. The following adjustment represents the cash balance at the beginning of the year. Additional audit adjustments were made to record current year activity in these accounts.

Fund Balance Beginning of the Year, originally stated	\$ ---
Cash account, January 1, 2023, balance	<u>124,051</u>
Fund Balance Beginning of the Year, as re-stated	<u>\$ 124,051</u>

NOTE 11 SUBSEQUENT EVENTS

Subsequent events were evaluated through February 4, 2025, the date the financial statements were available to be issued. Subsequent events of which the City is aware have been recognized or disclosed in the financial statements as required.

2024 General Obligation Bonds – Series A & B

In November 2024, the City of DuBois issued General Obligation Bonds, Series A, in the amount of \$11,794,846 and Series B in the amount of \$2,552,031. The Series A bonds are refunding the 2012, 2013 and 2015 General Obligation Notes. The Series A bonds carry an interest rate between 4.00-5.00% while the Series B bonds carry an interest rate of 3%. The projected savings is estimated at \$1.8 million over the life of the bonds.

The proceeds from the Series B bonds will provide the City with interim funding for a new building project. The City is also seeking RACP funds from the Commonwealth of Pennsylvania that would allow the City to repay the bonds.

Consolidation Agreement with Sandy Township

In November 2021, the electors of the City of DuBois approved a referendum to move forward with a plan to consolidate Sandy Township with the City of Dubois into a single municipal government. The governing bodies of both entities formed a Joint Board consisting of elected officials of each governing body to develop the consolidation agreement. The effective date of the municipal consolidation will be January 5, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DUBOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes	\$ 2,711,877	\$ 2,711,877	\$ 2,822,523	\$ 110,646
Intergovernmental	1,032,540	1,032,540	1,324,170	291,630
Charges for services	4,764,893	4,764,893	4,844,350	79,457
Licenses and permits	190,000	190,000	201,406	11,406
Fines and forfeits	40,000	40,000	44,828	4,828
Interest and investment income	12,000	12,000	156,787	144,787
Miscellaneous	395,919	395,919	601,378	205,459
Total Revenues	<u>9,147,229</u>	<u>9,147,229</u>	<u>9,995,442</u>	<u>848,213</u>
Expenditures				
General government	1,378,186	1,378,186	2,160,976	(782,790)
Public safety	2,746,938	2,746,938	2,853,259	(106,321)
Public works	2,388,376	2,388,376	2,445,409	(57,033)
Culture and recreation	676,821	676,821	676,850	(29)
Pension expense	909,525	909,525	1,258,673	(349,148)
Capital expenditures	897,035	897,035	3,378,015	(2,480,980)
Debt service	150,348	150,348	3,975,703	(3,825,355)
Total Expenditures	<u>9,147,229</u>	<u>9,147,229</u>	<u>16,748,885</u>	<u>(7,601,656)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>(6,753,443)</u>	<u>(6,753,443)</u>
Other Financing Sources/(Uses)				
Operating transfers in	-	-	3,500,000	3,500,000
Operating transfers (out)	-	-	(1,484,954)	(1,484,954)
Proceeds from sale of assets	-	-	55,800	55,800
Other financing source	-	-	325,614	325,614
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>2,396,460</u>	<u>2,396,460</u>
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(4,356,983)</u>	<u>\$ (4,356,983)</u>
Fund Balance - Beginning of Year			<u>8,032,342</u>	
Fund Balances - End of Year			<u>\$ 3,675,359</u>	

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

City of DuBois
Police Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 368,832	\$ 316,635	\$ 303,000	\$ 296,334	\$ 282,896	\$ 274,722	\$ 262,264	\$ 249,680	\$ 238,928	\$ 266,733
Interest	786,143	740,845	700,484	703,974	664,608	622,791	589,076	547,560	514,369	517,655
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(7,110)	-	(537,255)	-	89,049	-	424,521	-	(512,279)	-
Change in assumptions	-	-	262,589	-	-	-	(7,122)	-	-	-
Benefit payments, including refunds of member contributions	(410,903)	(400,611)	(391,872)	(377,907)	(377,565)	(372,991)	(355,891)	(289,920)	(289,880)	(292,574)
Net change in pension liability	736,962	656,869	336,946	622,401	658,988	524,522	912,848	507,320	(48,862)	491,814
Total pension liability/(asset) - beginning	11,935,002	11,278,133	10,941,187	10,318,786	9,659,798	9,135,276	8,222,428	7,715,108	7,763,970	7,272,156
Total pension liability/(asset) - ending (A)	<u>\$ 12,671,964</u>	<u>\$ 11,935,002</u>	<u>\$ 11,278,133</u>	<u>\$ 10,941,187</u>	<u>\$ 10,318,786</u>	<u>\$ 9,659,798</u>	<u>\$ 9,135,276</u>	<u>\$ 8,222,428</u>	<u>\$ 7,715,108</u>	<u>\$ 7,763,970</u>
Plan fiduciary net position										
Contributions - employer	496,897	383,595	386,111	342,752	339,160	335,022	367,842	440,318	397,074	324,672
Contributions - employee	38,987	35,088	29,332	28,384	29,833	27,211	28,839	28,135	27,816	24,943
Net investment income	1,159,230	(1,006,720)	1,900,759	1,356,936	1,128,515	(341,023)	637,290	720,761	(138,954)	637,279
Benefit payments, including refunds of member contributions	(410,903)	(400,611)	(391,872)	(377,907)	(377,565)	(372,991)	(355,891)	(289,920)	(289,880)	(292,574)
Administrative expenses	(65,045)	(64,509)	(63,509)	(51,384)	(50,006)	(51,253)	(50,329)	(45,617)	(45,553)	(44,138)
Other	-	-	-	-	(319)	(1,065)	(1,432)	(1,795)	(2,145)	(2,484)
Net change in plan fiduciary net position	1,219,166	(1,053,157)	1,860,821	1,298,781	1,069,618	(404,099)	626,319	851,882	(51,642)	647,698
Plan fiduciary net position - beginning	11,459,656	12,512,813	10,651,992	9,353,211	8,283,593	8,687,692	8,061,373	7,209,491	7,261,133	6,613,435
Plan fiduciary net position - ending (B)	<u>\$ 12,678,822</u>	<u>\$ 11,459,656</u>	<u>\$ 12,512,813</u>	<u>\$ 10,651,992</u>	<u>\$ 9,353,211</u>	<u>\$ 8,283,593</u>	<u>\$ 8,687,692</u>	<u>\$ 8,061,373</u>	<u>\$ 7,209,491</u>	<u>\$ 7,261,133</u>
City's net pension liability/(asset) - ending (A-B)	<u>\$ (6,858)</u>	<u>\$ 475,346</u>	<u>\$ (1,234,680)</u>	<u>\$ 289,195</u>	<u>\$ 965,575</u>	<u>\$ 1,376,205</u>	<u>\$ 447,584</u>	<u>\$ 161,055</u>	<u>\$ 505,617</u>	<u>\$ 502,837</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>100.05%</u>	<u>96.02%</u>	<u>110.95%</u>	<u>97.36%</u>	<u>90.64%</u>	<u>85.75%</u>	<u>95.10%</u>	<u>98.04%</u>	<u>93.45%</u>	<u>93.52%</u>
Covered employee payroll	<u>\$ 1,474,335</u>	<u>\$ 1,380,903</u>	<u>\$ 1,120,347</u>	<u>\$ 1,006,885</u>	<u>\$ 1,077,622</u>	<u>\$ 1,053,127</u>	<u>\$ 980,928</u>	<u>\$ 1,005,092</u>	<u>\$ 976,061</u>	<u>\$ 837,149</u>
City's net pension liability as a percentage of covered employee payroll	<u>-0.47%</u>	<u>34.42%</u>	<u>-110.21%</u>	<u>28.72%</u>	<u>89.60%</u>	<u>130.68%</u>	<u>45.63%</u>	<u>16.02%</u>	<u>51.80%</u>	<u>60.07%</u>

Note: The years presented in this schedule are all of the years in which information is available.

City of DuBois
Non-Uniform Pension Plan
Schedule of Changes in the City's Net Pension
Liability and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 256,426	\$ 251,712	\$ 239,726	\$ 270,214	\$ 257,347	\$ 204,464	\$ 194,728	\$ 176,953	\$ 168,527	\$ 181,914
Interest	1,184,771	1,089,970	1,050,029	983,690	951,059	887,253	860,525	765,139	748,425	726,246
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	114,225	-	438,733	-	388,723	-	559,495	-	55,168	-
Change in assumptions	561,832	-	-	-	-	-	417,530	-	-	-
Benefit payments, including refunds of member contributions	(887,408)	(787,478)	(817,474)	(848,340)	(778,422)	(693,074)	(768,720)	(720,405)	(712,495)	(632,929)
Net change in pension liability	1,229,846	554,204	911,014	405,564	818,707	398,643	1,263,558	221,687	259,625	275,231
Total pension liability/(asset) - beginning	14,320,862	13,766,658	12,855,644	12,450,080	11,631,373	11,232,730	9,969,172	9,747,485	9,487,860	9,212,629
Total pension liability/(asset) - ending (A)	<u>\$ 15,550,708</u>	<u>\$ 14,320,862</u>	<u>\$ 13,766,658</u>	<u>\$ 12,855,644</u>	<u>\$ 12,450,080</u>	<u>\$ 11,631,373</u>	<u>\$ 11,232,730</u>	<u>\$ 9,969,172</u>	<u>\$ 9,747,485</u>	<u>\$ 9,487,860</u>
Plan fiduciary net position										
Contributions - employer	\$ 563,628	\$ 512,981	\$ 524,118	\$ 264,534	\$ 246,625	\$ 32,689	\$ 199,304	\$ -	\$ -	\$ 4,090
Contributions - state aid	198,148	176,135	163,108	172,334	189,458	173,322	-	97,693	90,350	-
Contributions - member	78,175	81,443	79,078	73,519	77,660	77,745	73,214	69,916	71,402	87,476
Other income	7	-	-	-	-	-	-	-	-	-
Net investment income	1,212,832	(1,812,426)	1,050,107	1,179,509	1,389,129	(543,609)	1,033,208	371,267	(241,825)	315,005
Benefit payments, including refunds of member contributions	(887,408)	(787,478)	(817,474)	(848,340)	(778,422)	(693,074)	(768,720)	(720,405)	(712,495)	(632,930)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,165,382	(1,829,345)	998,937	841,556	1,124,450	(952,927)	537,006	(181,529)	(792,568)	(226,359)
Plan fiduciary net position - beginning	8,519,006	10,348,351	9,349,414	8,507,858	7,383,408	8,336,335	7,799,329	7,980,858	8,773,426	8,999,785
Plan fiduciary net position - ending (B)	<u>\$ 9,684,388</u>	<u>\$ 8,519,006</u>	<u>\$ 10,348,351</u>	<u>\$ 9,349,414</u>	<u>\$ 8,507,858</u>	<u>\$ 7,383,408</u>	<u>\$ 8,336,335</u>	<u>\$ 7,799,329</u>	<u>\$ 7,980,858</u>	<u>\$ 8,773,426</u>
City's net pension liability/(asset) - ending (A-B)	<u>\$ 5,866,320</u>	<u>\$ 5,801,856</u>	<u>\$ 3,418,307</u>	<u>\$ 3,506,230</u>	<u>\$ 3,942,222</u>	<u>\$ 4,247,965</u>	<u>\$ 2,896,395</u>	<u>\$ 2,169,843</u>	<u>\$ 1,766,627</u>	<u>\$ 714,434</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>62.28%</u>	<u>59.49%</u>	<u>75.17%</u>	<u>72.73%</u>	<u>68.34%</u>	<u>63.48%</u>	<u>74.21%</u>	<u>78.23%</u>	<u>81.88%</u>	<u>92.47%</u>
Covered employee payroll	<u>\$ 2,230,982</u>	<u>\$ 2,021,773</u>	<u>\$ 2,000,944</u>	<u>\$ 2,110,855</u>	<u>\$ 2,099,214</u>	<u>\$ 2,031,800</u>	<u>\$ 1,919,753</u>	<u>\$ 1,986,368</u>	<u>\$ 1,864,202</u>	<u>\$ 1,884,611</u>
City's net pension liability as a percentage of covered employee payroll	<u>262.95%</u>	<u>286.97%</u>	<u>170.83%</u>	<u>166.10%</u>	<u>187.80%</u>	<u>209.07%</u>	<u>150.87%</u>	<u>109.24%</u>	<u>94.77%</u>	<u>37.91%</u>

Note: The years presented in this schedule are all of the years in which information is available.

City of DuBois
Pension Plans
Schedule of City's Contributions
Last 10 Fiscal Years

<u>Police</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 496,897	\$ 383,595	\$ 386,111	\$ 342,752	\$ 339,160	\$ 335,022	\$ 367,842	\$ 440,318	\$ 697,074	\$ 324,672
Contributions in relation to the actuarially determined contributions	\$ 496,897	\$ 383,595	\$ 386,111	\$ 342,752	\$ 339,160	\$ 335,022	\$ 367,842	\$ 440,318	\$ 697,074	\$ 324,672
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	<u>\$ 1,474,335</u>	<u>\$ 1,380,903</u>	<u>\$ 1,120,347</u>	<u>\$ 1,006,885</u>	<u>\$ 1,077,622</u>	<u>\$ 1,053,127</u>	<u>\$ 980,928</u>	<u>\$ 1,005,092</u>	<u>\$ 976,061</u>	<u>\$ 837,149</u>
City's contributions as a percentage of covered employee payroll	<u>33.70%</u>	<u>27.78%</u>	<u>34.46%</u>	<u>34.04%</u>	<u>31.47%</u>	<u>31.81%</u>	<u>37.50%</u>	<u>43.81%</u>	<u>71.42%</u>	<u>38.78%</u>
 <u>Non-Uniform</u>										
Actuarially determined contribution	\$ 761,776	\$ 689,116	\$ 687,266	\$ 436,868	\$ 436,083	\$ 206,011	\$ 199,304	\$ 97,693	\$ 90,350	\$ 4,090
Contributions in relation to the actuarially determined contributions	<u>761,776</u>	<u>689,116</u>	<u>687,266</u>	<u>436,868</u>	<u>436,083</u>	<u>206,011</u>	<u>199,304</u>	<u>97,693</u>	<u>90,350</u>	<u>4,090</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 2,230,982</u>	<u>\$ 2,021,773</u>	<u>\$ 2,000,944</u>	<u>\$ 2,110,855</u>	<u>\$ 2,099,214</u>	<u>\$ 2,031,800</u>	<u>\$ 1,919,753</u>	<u>\$ 1,986,368</u>	<u>\$ 1,864,202</u>	<u>\$ 1,884,611</u>
City's contributions as a percentage of covered employee payroll	<u>34.15%</u>	<u>34.08%</u>	<u>34.35%</u>	<u>20.70%</u>	<u>20.77%</u>	<u>10.14%</u>	<u>10.38%</u>	<u>4.92%</u>	<u>4.85%</u>	<u>0.22%</u>

City of DuBois
Combined Pension Plans
Schedule of Investment Return
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police Plan										
Annual money-weighted rate of return, net of investment expense	<u>9.90%</u>	<u>-8.17%</u>	<u>18.80%</u>	<u>14.73%</u>	<u>13.88%</u>	<u>-3.97%</u>	<u>7.92%</u>	<u>10.00%</u>	<u>-1.92%</u>	<u>9.66%</u>
Non-Uniform Plan										
Annual money-weighted rate of return, net of investment expense	<u>14.28%</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>	<u>Not provided</u>

Note: The years presented in this schedule are all of the years in which information is available.

City of DuBois
Pension Plans
Notes to Schedule of City's Contributions

The following information is provided with regards to significant methods and assumptions used in calculating the actuarially required contributions:

	<u>Police Employees</u>	<u>Officers and Non-Uniform Employees</u>
Actuarial valuation date	1-1-23	1-1-23
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	7 years	5 years
Asset valuation method	4 Year Smoothing	5 Year Smoothing
Inflation	2.50%	Not provided
Salary Increases (including inflation)	4.5%	5.00%
Investment rate of return	6.5%	8.0%
Retirement age	Normal Retirement Age	See notes
Mortality Table	See notes	See notes

Supplementary Information
Combining Schedules of Nonmajor funds and Custodial Funds

CITY OF DUBOIS
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2023

	Community Development Fund	Health Insurance Fund	Liquid Fuels Fund	Total Current Year
<u>ASSETS:</u>				
Cash	\$ 26	\$ 180,464	\$ 492,663	\$ 673,153
Due from other funds	-	-	-	-
Total Assets	<u>\$ 26</u>	<u>\$ 180,464</u>	<u>\$ 492,663</u>	<u>\$ 673,153</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE:</u>				
Assigned	26	180,464	492,663	673,153
Unassigned	-	-	-	-
Total Fund Balance	<u>26</u>	<u>180,464</u>	<u>492,663</u>	<u>673,153</u>
Total Liabilities, Deferred Inflows and Fund Balance/(Deficit)	<u>\$ 26</u>	<u>\$ 180,464</u>	<u>\$ 492,663</u>	<u>\$ 673,153</u>

See Independent Auditor's Report and
 Accompanying Notes to Financial Statements

CITY OF DUBOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Community Development Fund	Health Insurance Fund	Liquid Fuels Fund	Total Current Year
Revenues				
Grants	\$ 338,524	\$ -	\$ 273,700	\$ 612,224
Interest and investment income	-	-	7,550	7,550
Other income	-	-	-	-
Total Revenues	338,524	-	281,250	619,774
Expenditures				
General government	-	139,139	-	139,139
Public works	-	-	821,342	821,342
Community development	322,657	-	-	322,657
Total Expenditures	322,657	139,139	821,342	1,283,138
(Deficiency)/Excess of Revenue Over/(Under) Expenditures	15,867	(139,139)	(540,092)	(663,364)
Other Financing Sources/(Uses)				
Operating transfers in	-	247,500	841,898	1,089,398
Operating transfers (out)	-	-	-	-
Total Other Financing Sources/(Uses)	-	247,500	841,898	1,089,398
(Deficiency)/Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	15,867	108,361	301,806	426,034
Fund Balance/(Deficit) - Beginning of Year	(15,841)	72,103	190,857	247,119
Fund Balance/(Deficit) - End of Year	\$ 26	\$ 180,464	\$ 492,663	\$ 673,153

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

CITY OF DUBOIS
COMBINING STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
CUSTODIAL FUNDS
DECEMBER 31, 2023

	Fire Escrow Fund	Sewer Escrow Fund	Treasurer Account Fund	Total Custodial Funds
	<u>ASSETS</u>			
Assets:				
Cash and cash equivalents	\$ 1,249	\$ 11,814	\$ 49,444	\$ 62,507
Investment assets, restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,249</u>	<u>\$ 11,814</u>	<u>\$ 49,444</u>	<u>\$ 62,507</u>
	<u>LIABILITIES AND NET POSITION</u>			
Liabilities:				
Benefits payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Escrow liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Individual, organizations, other governments	<u>1,249</u>	<u>11,814</u>	<u>49,444</u>	<u>62,507</u>
Total Net Position	<u>1,249</u>	<u>11,814</u>	<u>49,444</u>	<u>62,507</u>
Total Liabilities and Net Position	<u>\$ 1,249</u>	<u>\$ 11,814</u>	<u>\$ 49,444</u>	<u>\$ 62,507</u>

See Independent Auditor's Report and
Accompanying Notes to Financial Statements

CITY OF DUBOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Fire Escrow Fund	Sewer Escrow Fund	Treasurer Account Fund	Total Custodial Funds
<u>Additions</u>				
Taxes collected for other governments	\$ -	\$ -	\$ 607,806	\$ 607,806
Fire escrow	-	-	-	-
Sewer escrow	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>607,806</u>	<u>607,806</u>
Total Additions	-	-	607,806	607,806
Investment Income (Loss):				
Interest and dividends	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Additions	-	-	607,806	607,806
<u>Deductions</u>				
Tax payments to other governments	-	-	682,413	682,413
Fire escrow funds released	8,540	-	-	8,540
Sewer escrow funds released	-	440	-	440
	<u>-</u>	<u>440</u>	<u>-</u>	<u>440</u>
Total Deductions	8,540	440	682,413	691,393
Change in Net Position	<u>(8,540)</u>	<u>(440)</u>	<u>(74,607)</u>	<u>(83,587)</u>
Net Position				
Beginning of Year, as originally stated	9,789	12,254	-	22,043
Prior Period Adjustment	-	-	124,051	124,051
Beginning of Year	<u>9,789</u>	<u>12,254</u>	<u>124,051</u>	<u>146,094</u>
End of Year	<u>\$ 1,249</u>	<u>\$ 11,814</u>	<u>\$ 49,444</u>	<u>\$ 62,507</u>