

Curwensville Borough, Clearfield County

Strategic Management Planning Program

Steps 1, 2 and 3



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Executive Summary

This report analyzes Curwensville Borough's financial performance from 2019 to 2023 and provides projections for 2025 to 2029, using 2024 revenue and expenditure data as a baseline.

During the 2019 – 2023 period, the Borough experienced a small structural deficit of 0.7%, notably, with no annual deficits. Revenues increased by an average of 2.4% annually, while expenditures experienced a slightly greater increase of 3.1% annually. Despite the growth in expenditures exceeding the growth in revenues, there were small budget surpluses, resulting in approximately \$183,000 in cumulative surpluses.

The primary revenue sources during this period were the real estate and earned income taxes, as well as liquid fuels fund, while police and public works accounted for the largest share of expenditures. Police spending has grown steadily, increasing its share of total operating costs over the five-year period.

Looking ahead to 2024 – 2028, projections indicate that the Borough will experience increasing budgetary pressures and annual deficits without proactive fiscal management. Stabilizing revenue streams, controlling expenditures, and effectively managing the unreserved fund balance will be essential to ensure long-term financial health.

Key Findings

- Revenues increased by 2.4% annually over 5 years (2019 – 2023).
- Expenditures experienced a slightly larger increase of 3.1% annually.
- Inflation-adjusted per capita revenue declined by 6% over the period.
- The Borough experienced a structural deficit of 0.7%, with small budget surpluses and no annual deficits, resulting in a cumulative surplus of approximately \$183,152.
- Real estate tax revenue per capita (adjusted for inflation) declined by 11.5% between 2019 and 2023, signaling a declining real value of this critical revenue source.
- Two warning signs were identified in revenues, including real estate tax and liquid fuels revenues.
- Two warning signs were also identified in expenditures, including general government and police expenditures.
- Projections indicate that without changes, deficits are likely to occur within 2 to 5 years.

Demographic Patterns

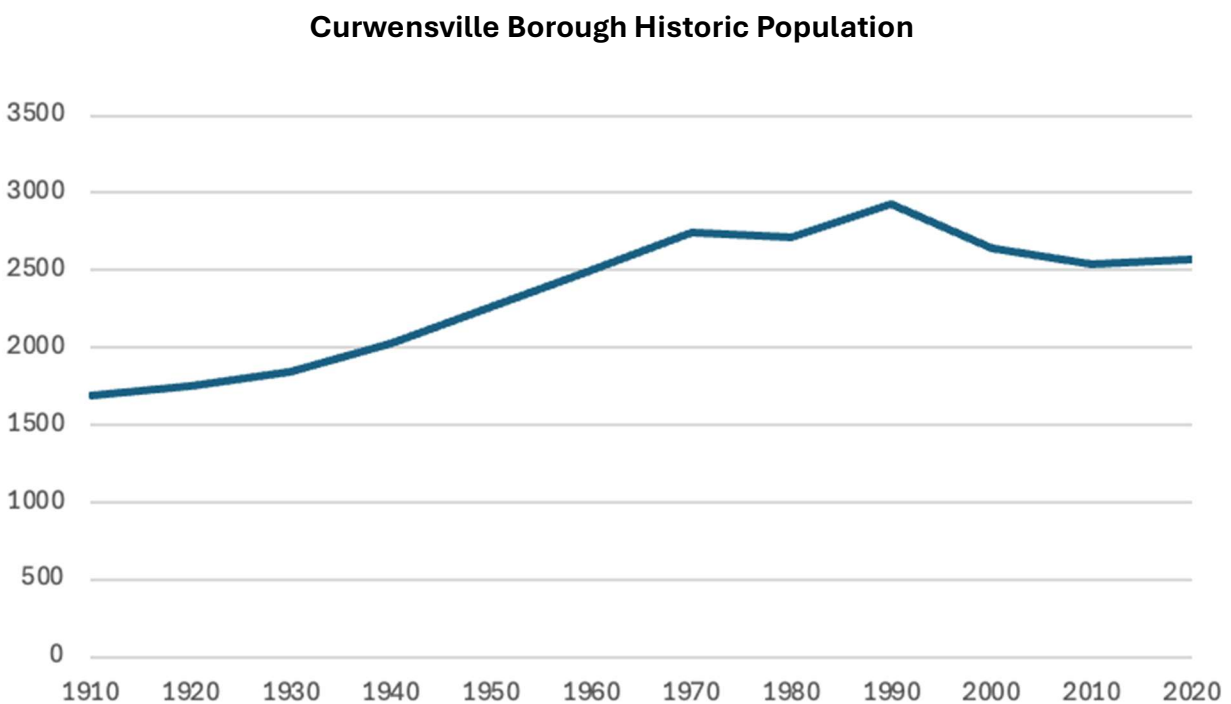
Population trends and characteristics, along with the nature of a municipality's housing stock, play a critical role in shaping its ability to generate revenue and determining the level and type of municipal services required. Changes in population, demographic characteristics, and housing conditions can significantly influence both the financial health of a community and the demand for public infrastructure, programs, and services.

The demographic information organized below provides a snapshot of the community elected officials and employees serve. Where available, official decennial census data was used. For household income and poverty rates, the 2023 [American Community Survey](#) data were utilized.

Curwensville Borough's population has experienced small, single digits declines since 1990. Its population of residents over 65 was higher than both Clearfield County and the State of Pennsylvania. The Borough had a higher proportion of renter occupied housing units than the County, a median household income 16.5% lower than Clearfield County, and a higher poverty rate than the County. It also had a higher housing vacancy rate than both the County and State.

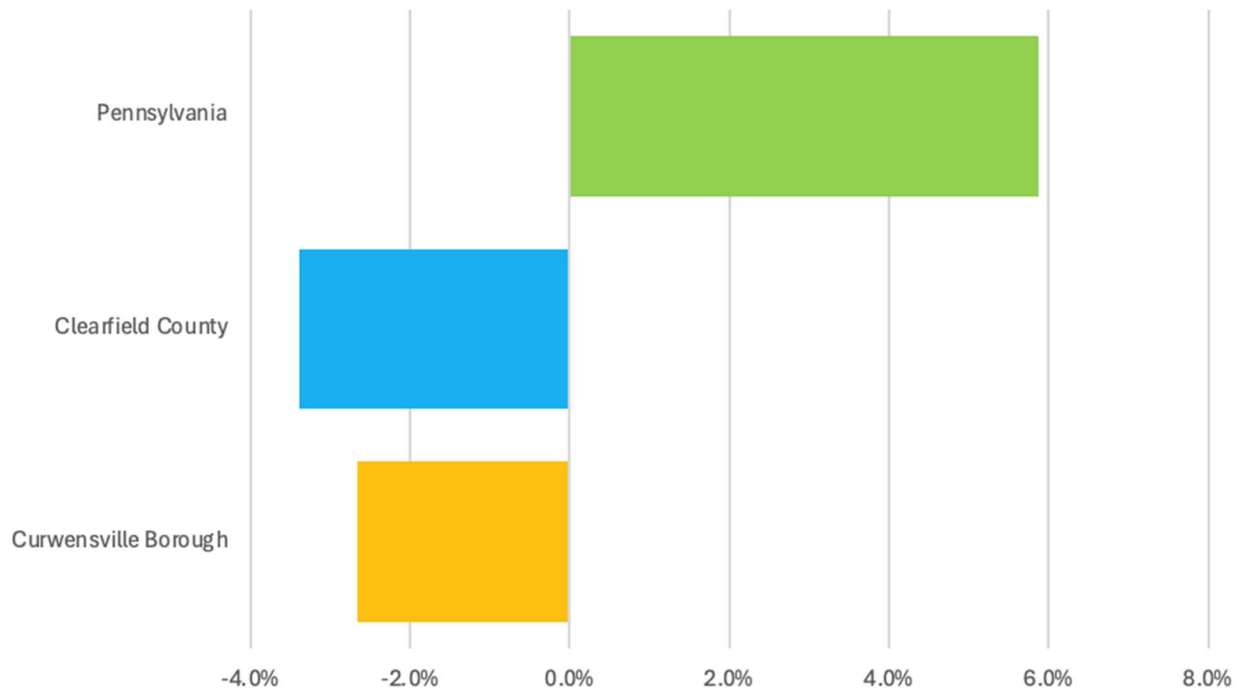
Population Change

Curwensville Borough's population peaked at 2,928 in 1990. From 2000 to 2020, the Borough's population declined from 2,540 to 2,567 or 2.7%. This is less than the rate of decline in Clearfield County (3.4%). During the same decade, the State of Pennsylvania experienced a population increase of nearly 6%. A lower population affects the revenue generating capacity of a municipality.



The chart below shows the percentage change in population for Curwensville Borough, Clearfield County and Pennsylvania from 2000 to 2020. A declining population affects the revenue generating capacity of a municipality.

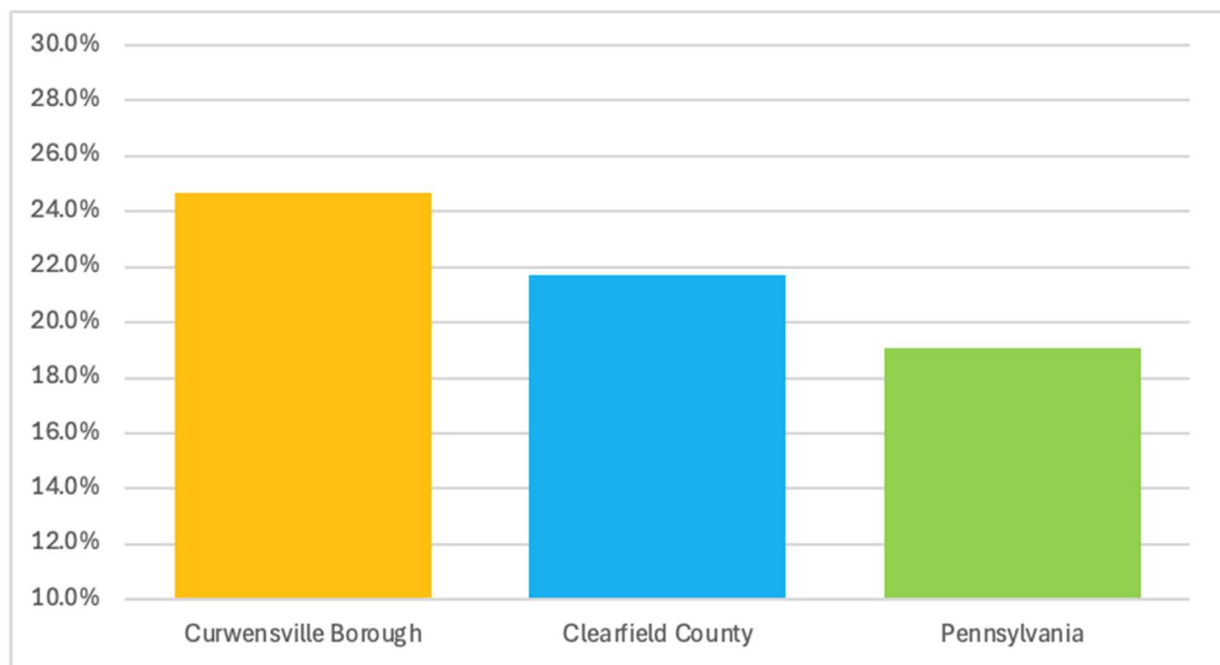
Population Change, 2000 to 2020



Population Over Age 65

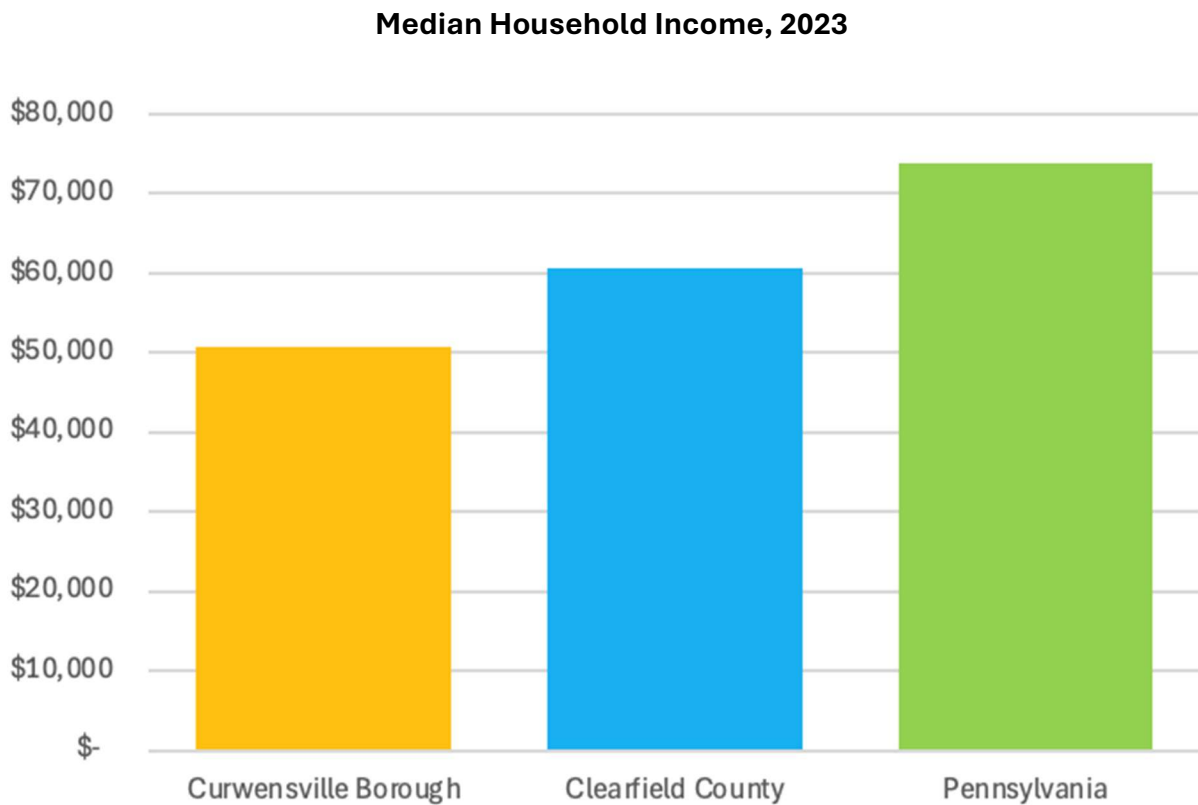
In 2020, the Borough's proportion of residents over the age of 65 was 24.7%. This was higher than Clearfield County (21.7%) and the State of Pennsylvania (19.1%). A municipality's population age distribution can affect its revenue generating capacity through various local taxes and should be taken into account when tax changes are under consideration.

Population Over Age 65, 2020



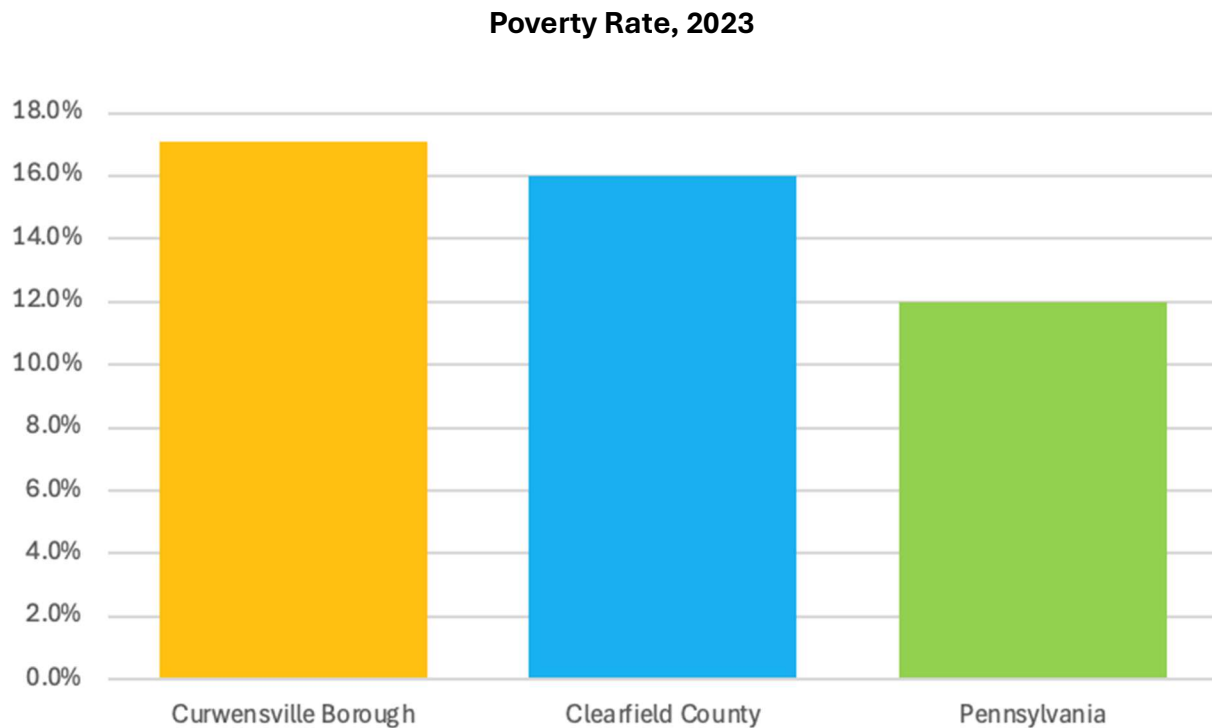
Median Household Income

Curwensville Borough's median household income was \$50,679 in 2023. The County's median household income was nearly 20% higher at \$60,711. The Borough's median household income was 46% lower than the State median of \$73,824.



Poverty Rate

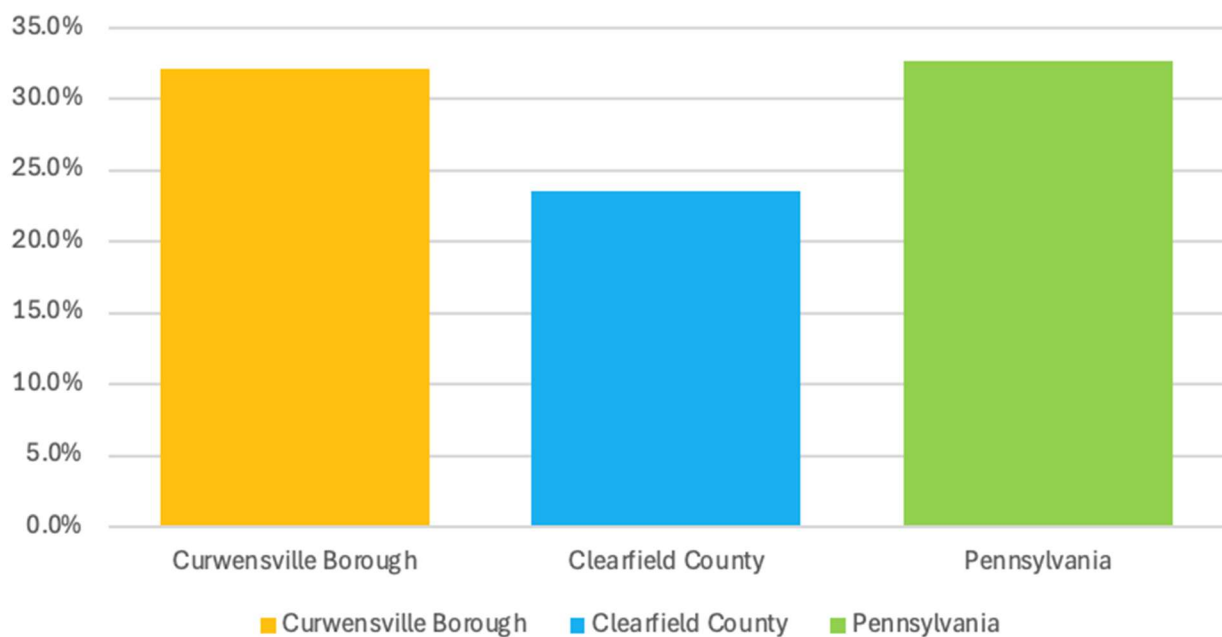
The rate of poverty in a municipality affects its ability to generate revenue and provide essential services. The figure below shows that Curwensville Borough's poverty rate of 17.1% was comparable with the County's rate (16%) but significantly higher than the State rate of 12%.



Renter Occupied Housing Units

Of the 1,071 occupied housing units in the Borough, 344 or 32.1% were renter occupied. This is significantly higher than County (23.6%) and on par with the State rate of 32.7%. A higher percentage of renter occupied housing units can lead to increased service demands on the municipality.

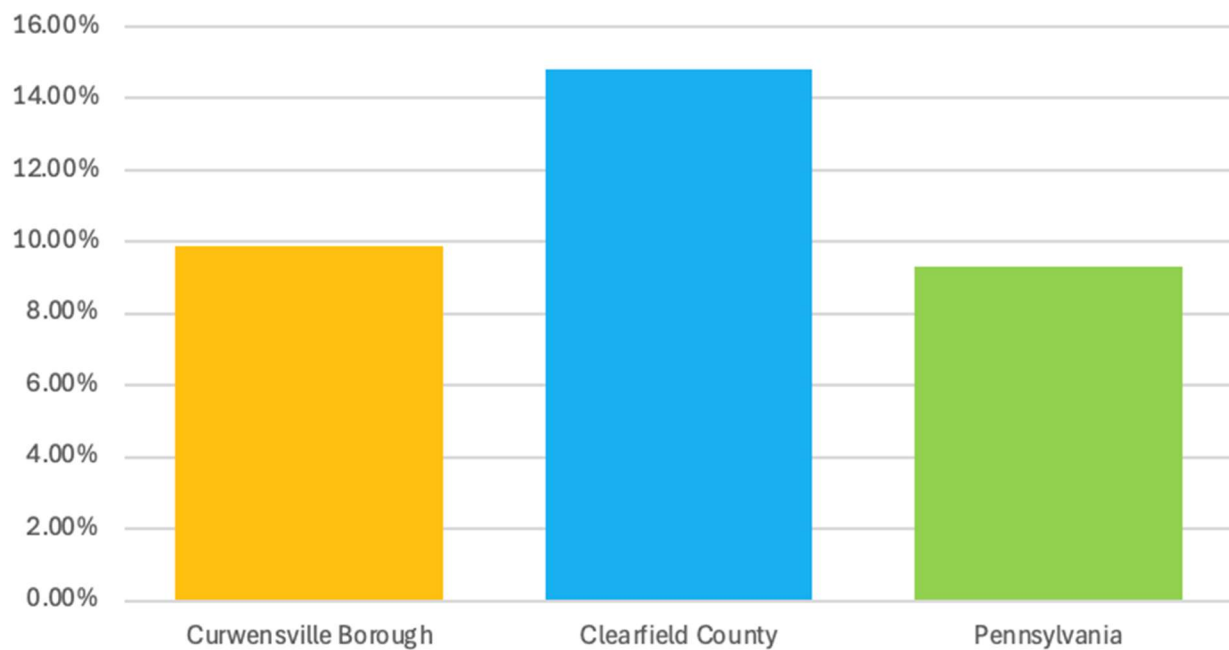
Renter Occupied Housing Units, 2020



Housing Vacancy Rate

In 2020, Curwensville Borough has a housing vacancy rate of 9.9%, lower than the County (14.8%) and on par with the State vacancy rate of 9.3%. A high vacancy rate has a negative impact on a municipality's ability to generate revenue through lower assessments and therefore lower real estate tax revenue.

Housing Vacancy Rate, 2020



Strategic Management Planning Program Background and Introduction

The Strategic Management Planning Program consists of six primary steps usually presented in two stages. The first presentation focuses on the government's financial wellbeing and includes Steps 1, 2, and 3. The second presentation concerns management of the government's departments and includes guidance for implementing long-term plans and policies.

STEP 1: FINANCIAL CONDITION ASSESSMENT

This assessment is performed as a means to establish a realistic baseline of the Borough's historic and current financial condition.

STEP 2: FINANCIAL TREND ANALYSIS

Performed over a multi-year period, this analysis projects future revenue, expenditure, economic, and demographic trends so that the Borough can understand its future financial position and take immediate steps to counteract any negative trends.

STEP 3: EMERGENCY PLAN FOR CURRENT FISCAL YEAR

The multi-year financial management plan will allow the Borough to pursue both short- and long-term strategies on parallel tracks. The emergency plan addresses financial management actions to be taken during a six- to 12-month timeframe. It will set forth a strategy regarding: i) whether the current fiscal year's budget should be reopened, amended or modified; ii) whether operational and/or personnel reductions should occur; iii) whether short-term borrowing, including possible unfunded debt borrowing, is necessary; and iv) whether other types of administrative reorganization or short-term actions should be effectuated in order for the Borough to remain solvent in the current fiscal year.

STEP 4: MANAGEMENT AUDIT/REVIEW

With the assistance of the Borough, the team will conduct a management audit and review of the operations of relevant departments in the Borough. The audit will include narrative summaries of each department comprised of budget and personnel information, as well as other relevant data. This data will be supported by interviews with each department in order to facilitate the most comprehensive view of the Borough's most critical operational needs.

STEP 5: MULTI-YEAR PLAN ADOPTION

The plan, at its foundation, will identify the Borough's top financial management priorities. Additional prioritization will be conducted at the departmental level, and interdepartmental objectives that are Borough-wide or county-wide in nature will be detailed in the plan. Each objective will contain a detailed action plan that describes: i) what is to be achieved; ii) the budgetary impact; iii) the timing and deadlines for each action step; and iv) which employee or agency has the primary responsibility for the objective.

STEP 6: 5-YEAR PLAN IMPLEMENTATION

The process surrounding the creation of a multi-year plan is an ongoing process and an initially adopted plan will be evaluated, adjusted, and adopted anew each year. A master implementation schedule will be included in the plan that specifies key deadlines for each objective set forth. This schedule will serve as a report card for determining whether individual departments or employees are achieving their objectives, thus providing a means by which the Borough can measure its overall progress in implementing the plan.

Defining Financial Condition

Financial condition has many meanings and depends on the timeframe in which it is viewed. The International City/County Management Association (ICMA) utilizes the

following definitions and timeframes when examining a local government's financial condition:

Cash Solvency: A government's ability to generate cash flow over a 60-day period to pay its bills.

Budgetary Solvency: A government's ability to generate revenues over its normal fiscal year to meet its expenditures and avoid deficits.

Long-Run Solvency: A government's ability, in the long-term, to pay all costs of doing business, as well as meeting all costs such as pension costs and accumulated accrued employee leave benefits, as they occur.

Service Level Solvency: A government's ability to provide services at a certain level and quality that are required for the health, safety, and welfare of the community.

Financial condition is broadly defined as the ability to provide and finance services on a continuing basis. A local government that is sound financially can:

- Maintain its level of basic services and address the needs of its capital facilities and infrastructure in a way that keeps the facilities in a usable and functional condition.
- Withstand short-term local, regional, or even national economic disruption.
- Meet the demands of growth and decline.

This report presents the findings of Steps 1, 2 and 3 of the STMPP process. This overall effort is intended to assist public officials and citizens to better appreciate the challenges they face in achieving fiscal solvency and assist the Borough in providing a high quality of service.

In conducting this evaluation, we have utilized a number of the ICMA identified indicators, as well as additional customized indicators that the team utilized to evaluate financial condition. In addition to typical financial data, we have also reviewed economic and

demographic data and organizational factors to better comprehend and trend what is occurring within the Borough.

For purposes of this effort, we have decided to utilize 2019 as our base year and have utilized five years of data to establish trends.

Steps 1, 2, and 3 of the report are broken down into the following sections:

- Executive Summary
- Key Findings
- Demographics
- Background & Introduction
- Municipal Revenue and Expenditures
- Core Summary
- Core Revenue Review
- Core Expenditure Review
- Core Financial Projections
- Emergency Recommendations

Municipal Revenues and Expenditures

Municipalities in Pennsylvania fund services, operations and facilities primarily through various taxes and fees, and funds from the State and federal government. Municipalities expend their revenues on a spectrum of services and goods intended to benefit their residents. This includes public safety, public works, recreation, garbage collection, libraries, administration, and other items.

The major municipal revenues and expenditures relevant to the financial assessment of Curwensville Borough are identified and described below.

Revenues

Local Taxes

Local governments in Pennsylvania can levy various taxes including property, income, business & occupation taxes as well as local services and a per capita 'head' tax. Locally levied taxes constitute the primary source of income for most municipalities in the state.

Real Estate Tax

The real estate, or property tax, is a primary source of revenue for most municipalities. It is based on a millage rate set by the local governing body and applied to the assessed value of all taxable (non-exempt) properties within the municipality. During the study period (2019 – 2023), the Borough increased its millage rate from 26 mills in 2019 to 27 mills in 2023 and 28 mills in 2024. In 2025 this rate was reduced from 28 to 14 mills following a change by Clearfield County, which increased the predetermined assessment ratio from 25% to 50%. The adjustment in the millage rate was made to maintain a consistent tax burden for property owners despite the change in assessment methodology.

Earned Income Tax (EIT)

In Pennsylvania the local earned income tax is levied on individuals who are employed within a municipality and is limited to 1% annual earnings. Curwensville Borough levies a .5% EIT on Residents and a 1% tax on non-residents. The school district levies the other .5%.

Realty Transfer Tax

The realty transfer tax, also known as the real estate transfer tax, is levied on the sale of property in a municipality and is limited to 1% under the Local Tax Enabling Act. Curwensville Borough levies a .5% tax on the value of property at transfer. The school district levies the other .5%.

Local Services Tax

The local services tax (LST) is a flat tax levied on individuals employed in a municipality of up to \$52/year. The Borough levies at LST of \$52.

Mechanical Device Tax

In Pennsylvania, municipalities have the authority to impose taxes on mechanical amusement devices, including skill-based gaming machines, pinball machines and jukeboxes. Curwensville Borough levied this tax at a rate of \$100 per device during the study period and through 2025.

Intergovernmental Revenues

Municipalities receive funds from federal, State, county, and other local government entities. Federal sources include grants and funds allocated for specific uses and projects and vary for municipalities from year to year.

For many smaller municipalities, the primary source of funds received from the State is the PennDOT Liquid Fuels Fund, used primarily for public works projects. The source of this fund is the State's gas tax which has been decreasing in revenue over the last 5 years as a result of reduced community, increasingly efficient vehicles and electric vehicles. The amount of a municipality's allocation is based on its population and miles of roads on its approved liquid fuels inventory. Program funds can be used to support construction, maintenance and repair of public roads and streets. For many smaller municipalities this allocation can make up a large portion of its annual revenues. For some municipalities, it accounts for more than 25% of total revenues.

Turnback funds are allocated to municipalities that have taken ownership of formally State-owned roads that are better suited as local roadways. PennDOT pays municipalities for the ongoing maintenance of these roads at a rate of \$4,000 per mile.

The Borough receives funds from the State Municipal Pension System to offset contributions to its municipal pension fund. It also receives funds from the State Foreign

Fire Insurance Tax Distribution to support its fire department. The Borough receives funds from the State Marcellus Shale Impact Fee, which allocates funds to municipalities affected by 'unconventional' natural gas development by population and highway miles. These funds can be used for various purposes including public infrastructure, emergency preparedness, environmental protection, social services, and tax reduction. The Borough receives funds through the State Alcoholic Beverages License Fee which provides a portion of the liquor license fees paid by businesses operating in Curwensville Borough. Finally, the Borough receives an allocation under the State Public Utility Realty Tax (PURTA) which is a tax on entities providing utility services.

Charges for Service

Charges for Services represent revenue earned from providing various municipal services. This includes water, sewer, gas, electric, solid waste collection, parking, permits, public safety, and recreational services, among others. It may also encompass airport revenues and inspection fees. Curwensville Borough receives funds from the school district to cover the salary and benefits of the School Resources Officer and crossing guard.

Expenditures

Municipalities expend their revenues on a spectrum of services and goods intended to benefit their residents. This includes public safety, public works, recreation, garbage collection, libraries, administrative costs, debt service, and other items.

General Government

Expenditures in this category provide salaries for employees and public officials, services, including tax collection and accounting, as well as expenses associated with the maintenance and operation of the municipal building.

Public Safety

All municipalities in Pennsylvania are required to provide public safety services for their residents. This includes police and fire protection, emergency rescue and ambulance,

code enforcement, and planning. The major expenditure category within public safety for many municipalities is for police.

Many municipalities in the State maintain their own police departments, however some contract with other municipalities or participate in shared police service. More than half of municipalities rely on police protection provided by the state police. In municipalities with a dedicated police department, it is often the largest municipal expenditure. Curwensville Borough's expenditures for police service are primarily for personnel costs including salaries, overtime and benefits for the Police Chief, School Resource Officer and part time officers. The Borough utilizes a hybrid model for police protection, utilizing the State police part-time to provide service to the Borough.

Municipalities in Pennsylvania must ensure fire protection is provided to their residents. Like police, many larger municipalities employ their own fire department, but 64% of all municipalities rely on one or more volunteer fire companies to provide this service. The Borough provides funding to the Rescue Hose and Ladder Company to support its operation.

Public Works Highways and Streets

Public Works includes expenditures for streets, bridges and highways, airports, electric, garbage collection, gas, water and transit expenditures as well as municipal public works employee salaries. Curwensville Borough expends a majority of its public works budget on street paving and maintenance and employee salaries.

Culture & Recreation

Culture and recreation include expenditures for parks, libraries, senior centers as well as events. Curwensville expends funds for the maintenance and operation of the Borough's parks in this category.

Debt Service

Municipalities borrow money for various purposes including equipment purchase, capital improvement projects and major repairs. Debt cannot be issued or used for operating

costs. Debt can be in the form of private bank loans, federal or State loan programs, or public bonds. The amount of debt a municipality can incur is limited by the State's Local Government Unit Debt Act (LGUDA) and is a fraction of the municipality's historical revenues. The act's provisions are intended to ensure a municipality can afford the debt service. Some debt is supported by dedicated fees such as sewer or sanitation fees. Other debt is supported by the municipality's annual revenues. Debt can be issued by the municipality itself or by another government or municipal authority on its behalf.

Debt service constitutes the principal and interest payments on all general obligation and lease rental debt held by a municipality. Debt analysts suggest that debt service constitute no more than 10% of a municipality's total operating revenue.

During the term of the STMP analysis (2019 – 2023), Curwensville paid principal and interest on debt for the purchase of a street sweeper. This debt was retired in 2024. It also incurred debt and made principal and interest payments towards the Multimodal Transportation Fund project loan with CNB Bank. This loan was refinanced in 2024 and will be paid off in 2031.

Employer Paid Benefits

Employer paid benefits include FICA, Medicare, Unemployment and Workers Compensation insurance, health and dental insurance, payment of judgements and losses, and contributions to the municipal pension fund.

Unreserved Fund Balance

Municipalities maintain a fund balance or reserve fund to provide financial protection for unanticipated expenditures and revenue shortfalls. The fund balance results from accumulating operating balances.

The amount of funds maintained is dependent upon the specific characteristics of the municipality, but the amount should be sufficient to offer the security necessary without holding an excessive amount.

Using 2022 financial data for municipalities in Pennsylvania, the average fund balance for all Boroughs was 85% of total revenues. The average for municipalities with a population of 2000 to 4,999 was 106.5% of total revenues.

Core Summary

The core financial analysis provides a comprehensive review of Curwensville Borough's fiscal performance over the 2019–2023 period. The review examines the long-term financial patterns by removing one-time revenues and expenditures to assess the underlying financial condition of the Borough. Revenues and expenditures removed from the analysis include interfund transfers, debt payments, state and federal grants, and major public works projects and purchases. With these one-time revenues and expenses removed, the analysis shows that while both revenues and expenditures grew over the five-year period. Expenditure growth outpaced revenue growth, contributing to a structural deficit.

In evaluating Curwensville Borough's financial trends, standard indicators from ICMA and GFOA were used. These indicators are commonly applied to identify early warning signs in municipal finances. For consistency, the 2020 Census population of 2,567 residents was held constant across all five years.

Revenues increased by approximately 2.4% annually between 2019 and 2023. Over the five-year period. The Borough's largest sources of revenue were real estate and earned income taxes. Together, these taxes accounted for more than 60% of the Borough's operating revenue. Real estate tax revenues remained relatively flat, increasing by 3.1% over the five years, while earned income tax revenues grew by 22.7% representing the largest source of revenue growth.

Total expenditures increased by 3.1% annually over the period. The largest expenditures were public works, police, and general government. Police and general government experienced the most significant growth, increasing at an average annual rate of 10.8% and 13.6%, respectively.

This imbalance in revenues and expenditures resulted in a small structural deficit of 0.7%, indicating that expenditures exceeded revenues over the five-year period. Despite this, the Borough ran a modest surplus each year, resulting in a cumulative surplus of \$183,152.

Revenues	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Change 5 years	Annual % Change
Real Estate Tax	\$ 360,275	\$ 361,623	\$ 365,261	\$ 350,250	\$ 371,326	\$ 11,051	0.8%
Earned Income Tax	\$ 205,379	\$ 208,120	\$ 214,400	\$ 228,584	\$ 252,049	\$ 46,670	5.7%
Other Tax Revenue	\$ 61,263	\$ 53,643	\$ 65,209	\$ 121,782	\$ 58,297	\$ (2,966)	-1.2%
Licenses & Permits	\$ 23,471	\$ 24,055	\$ 23,310	\$ 22,744	\$ 20,736	\$ (2,735)	-2.9%
Fines & Forfeits	\$ 15,332	\$ 20,970	\$ 16,732	\$ 18,952	\$ 13,549	\$ (1,783)	-2.9%
Interest & Rents	\$ 7,314	\$ 2,377	\$ 3,877	\$ 6,424	\$ 11,867	\$ 4,553	15.6%
Liquid Fuels Fund & Turnback	\$ 110,679	\$ 107,787	\$ 100,265	\$ 100,300	\$ 103,305	\$ (7,374)	-1.7%
Intergovernmental-Other	\$ 66,655	\$ 77,878	\$ 67,096	\$ 76,062	\$ 80,169	\$ 13,514	5.1%
Charges for Service	\$ 54,549	\$ 83,875	\$ 101,451	\$ 97,154	\$ 103,710	\$ 49,161	22.5%
Unclassified Operating	\$ 21,268	\$ 34,374	\$ 15,876	\$ 58,984	\$ 7,885	\$ (13,383)	-15.7%
Refunds of Prior Year Expenditures	\$ 10,113	\$ 65	\$ 310	\$ 2,607	\$ 1,546	\$ (8,567)	-21.2%
Total	\$ 936,298	\$ 974,767	\$ 973,787	\$ 1,083,843	\$ 1,024,439	\$ 88,141	2.4%
Expenditures	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Change 5 years	Annual % Change
General Government	\$ 103,821	\$ 93,703	\$ 93,617	\$ 118,676	\$ 160,375	\$ 56,554	13.6%
Police	\$ 150,860	\$ 193,028	\$ 259,742	\$ 287,610	\$ 216,042	\$ 65,182	10.8%
Fire	\$ 52,508	\$ 27,061	\$ 37,342	\$ 30,264	\$ 40,792	\$ (11,716)	-5.6%
Code Enforcement & Other Public Safety	\$ 19,336	\$ 18,887	\$ 19,672	\$ 14,169	\$ 14,719	\$ (4,617)	-6.0%
Health & Human Service	\$ 8,157	\$ 7,075	\$ 1,265	\$ 7,533	\$ 7,083	\$ (1,074)	-3.3%
Public Works - Highways and Streets	\$ 298,403	\$ 383,489	\$ 339,483	\$ 356,179	\$ 321,801	\$ 23,398	2.0%
Culture & Recreation	\$ 3,928	\$ 2,818	\$ 13,982	\$ 10,336	\$ 14,850	\$ 10,922	69.5%
Community Development	\$ 13,238	\$ 1,656	\$ 24,649	\$ 36,033	\$ 6,891	\$ (6,347)	-12.0%
Debt Service	\$ 50,000	\$ 27,327	\$ 27,327	\$ 27,327	\$ 46,681	\$ (3,319)	-1.7%
Employer Paid Benefits	\$ 175,174	\$ 128,036	\$ 130,549	\$ 132,043	\$ 149,611	\$ (25,563)	-3.6%
Insurance	\$ 14,973	\$ 19,673	\$ 20,814	\$ 25,703	\$ 22,970	\$ 7,997	13.4%
Unclassified Operating	\$ -	\$ -	\$ 505	\$ 31	\$ 165	\$ 165	NA
Total	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980	\$ 111,582	3.1%
	2019	2020	2021	2022	2023		
Surplus/(Deficit)	\$ 45,900	\$ 72,014	\$ 4,840	\$ 37,939	\$ 22,459		
Cumulative Surplus/(Deficit)		\$ 117,914	\$ 122,754	\$ 160,693	\$ 183,152		

One time Revenues Removed from Core

	2019	2020	2021	2022	2023
Federal Capital and Operating Grants			\$ 6,481		
Federal Shared Rev. and Entitlements			\$ 124,818	\$ 125,607	
State Capital and Operating Grants		\$ 26,877	\$ 161,671		\$ 762,794
Local Gov't Units Capital and Operating Grants		\$ 136,796	\$ 15,180		
State Highways and Streets	\$ 18,301				
State Community Development	\$ 84,299				
Proceeds of General Fixed Asset Distribution	\$ -	\$ -	\$ 7,905	\$ 7,000	\$ 21,108
Proceeds of Long Term Debt				\$ 593,294	\$ 175,977
Interfund Operating Transfers	\$ 32,000	\$ 8,100	\$ 6,286	\$ -	\$ 88,618
Total Revenues (Including One Time)	\$ 1,070,898	\$ 1,146,540	\$ 1,296,128	\$ 1,809,744	\$ 2,072,936

One time Expenditures Removed from Core

	2019	2020	2021	2022	2023
New Police Vehicle and Equipment				\$ 53,962	
Public Works - New Ford Utility Truck			\$ 43,858		
Public Works - Admin - New Leaf Vac				\$ 221,952	
Public Works - Hwys & Streets - Traffic Control				\$ 100,651	\$ 165,327
Public Works - Hwys & Streets - Construction				\$ 287,294	
Community Development	\$ 96,498	\$ 179,393	\$ 190,202	\$ 51,716	
Culture & Recreation - Pavilion				\$ 90,666	
Debt Service					\$ 769,271
Refund of Prior Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Operating Transfers	\$ 80,554	\$ 50,500	\$ 42,319	\$ 28,000	\$ 24,770
Total Expenditures (Including One Time)	\$ 1,067,450	\$ 1,132,646	\$ 1,245,326	\$ 1,880,145	\$ 1,961,348

Core Revenue Review

Local governments must generate sufficient revenues to fund essential services, address unexpected expenses, and adapt to economic pressures. A sustainable revenue base is critical for maintaining fiscal health and service delivery.

Over the 2019 - 2023 period, the Borough's total revenues increased by approximately 9.4%, rising from \$936,298 in 2019 to \$1,024,439 in 2023. While overall revenue growth is positive, several important trends stand out. Earned income tax revenue exhibited strong, steady growth of 5.7% annually, making it the Borough's most dependable revenue source. Real estate tax revenue remained relatively flat, increasing by only 0.8% annually over the period. Liquid Fuels Fund and Turnback revenues declined by approximately 1.7% annually.

Several smaller revenue categories, including Licenses and Permits, Fines and Forfeits, and Unclassified Operating Revenues, also declined, with annual decreases ranging from -2.9% to -15.7%. However, there were notable gains as well. Charges for Services increased significantly by 22.5% annually, and both Interest and Rents and Other Intergovernmental (State) revenues posted strong increases, reflecting positive developments in those areas. Other Tax revenues, which include the Borough's realty transfer, local services and mechanical device taxes, declined slightly over the period.

Revenues	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Change 5 years	Annual % Change
Real Estate Tax	\$ 360,275	\$ 361,623	\$ 365,261	\$ 350,250	\$ 371,326	\$ 11,051	0.8%
Earned Income Tax	\$ 205,379	\$ 208,120	\$ 214,400	\$ 228,584	\$ 252,049	\$ 46,670	5.7%
Other Tax Revenue	\$ 61,263	\$ 53,643	\$ 65,209	\$ 121,782	\$ 58,297	\$ (2,966)	-1.2%
Licenses & Permits	\$ 23,471	\$ 24,055	\$ 23,310	\$ 22,744	\$ 20,736	\$ (2,735)	-2.9%
Fines & Forfeits	\$ 15,332	\$ 20,970	\$ 16,732	\$ 18,952	\$ 13,549	\$ (1,783)	-2.9%
Interest & Rents	\$ 7,314	\$ 2,377	\$ 3,877	\$ 6,424	\$ 11,867	\$ 4,553	15.6%
Liquid Fuels Fund & Turnback	\$ 110,679	\$ 107,787	\$ 100,265	\$ 100,300	\$ 103,305	\$ (7,374)	-1.7%
Intergovernmental-Other	\$ 66,655	\$ 77,878	\$ 67,096	\$ 76,062	\$ 80,169	\$ 13,514	5.1%
Charges for Service	\$ 54,549	\$ 83,875	\$ 101,451	\$ 97,154	\$ 103,710	\$ 49,161	22.5%
Unclassified Operating	\$ 21,268	\$ 34,374	\$ 15,876	\$ 58,984	\$ 7,885	\$ (13,383)	-15.7%
Refunds of Prior Year Expenditures	\$ 10,113	\$ 65	\$ 310	\$ 2,607	\$ 1,546	\$ (8,567)	-21.2%
Total	\$ 936,298	\$ 974,767	\$ 973,787	\$ 1,083,843	\$ 1,024,439	\$ 88,141	2.4%

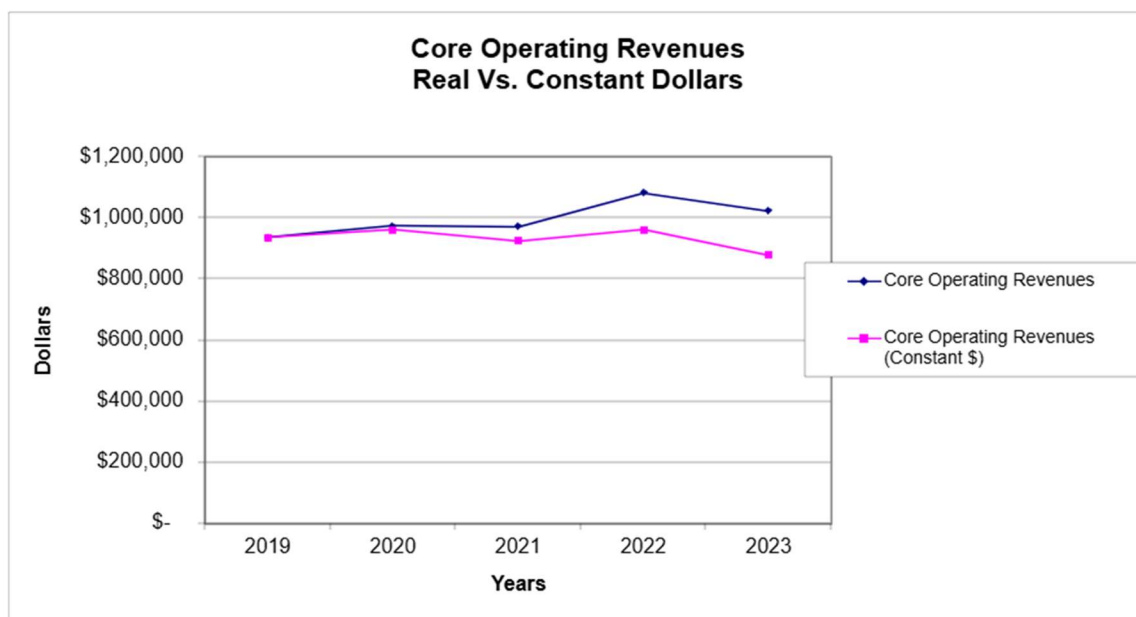
Revenue Per Capita

The table below presents the net operating revenues per capita, adjusted for inflation, over the 2019 – 2023 period. Nominal core operating revenues grew by approximately \$88,000 over the period, showing slight year-to-year fluctuations. When adjusted for inflation, however, per capita revenue declined by \$22 or 6%, highlighting the reduction in real purchasing power. This trend demonstrates the impact of inflation on the Borough's financial capacity and indicates a **warning sign** for its financial sustainability.

Revenues Per Capita = Core Operating Revenues / Population

	2019	2020	2021	2022	2023
Core Operating Revenues	\$ 936,298	\$ 974,767	\$ 973,787	\$1,083,843	\$1,024,439
Consumer Price Index (CPI)	100.00	101.31	105.26	112.59	116.48
CPI in decimal	1.00	1.01	1.05	1.13	1.16
Core Operating Revenues (Constant \$)	\$ 936,298	\$ 962,209	\$ 925,142	\$ 962,609	\$ 879,503
Population	2,567	2,567	2,567	2,567	2,567
Net Operating Revenues Per Capita (Constant \$)	\$ 365	\$ 375	\$ 360	\$ 375	\$ 343

Warning Sign: Decreasing Net Operating Revenues Per Capita (Constant \$)



Real Estate Tax Revenue

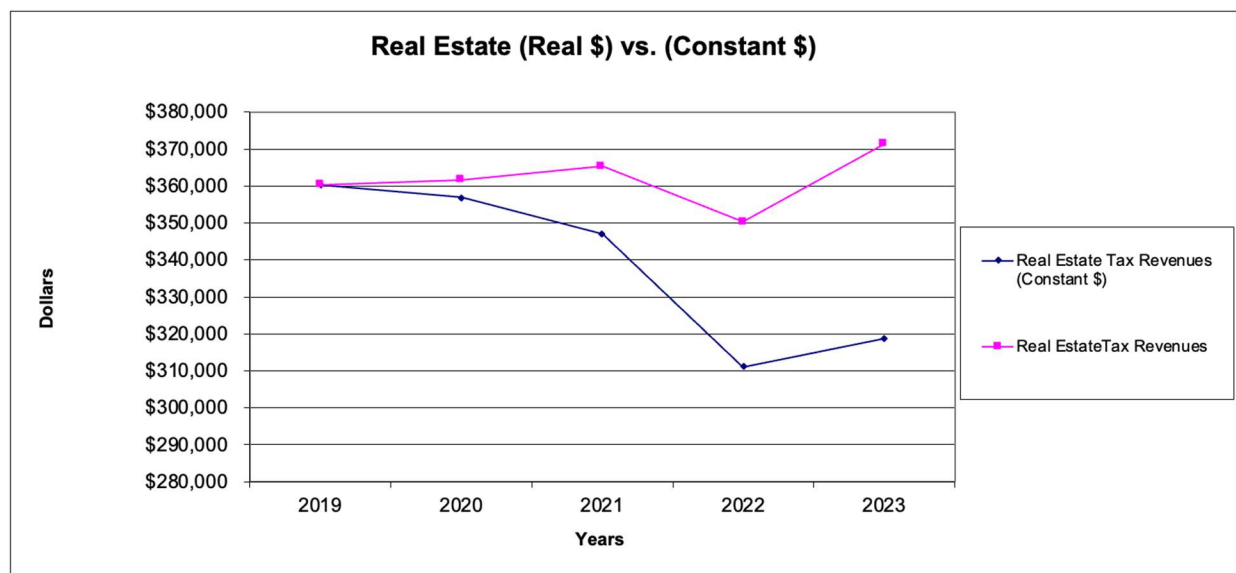
The real estate tax is the Borough's largest revenue source accounting for 36.3% of total revenues in 2023. Although nominal revenue increased by 3.1% over the period, after adjusting for inflation, the real value of this revenue source declined by 11.5%.

While revenue has risen in nominal terms, the actual purchasing power of that revenue has eroded, creating long-term challenges for financial planning and sustainability. This represents a **warning sign** for the Borough.

Real Estate Tax Revenues = Property Tax Revenues/Constant Dollars

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real EstateTax Revenues	\$ 360,275	\$ 361,623	\$ 365,261	\$ 350,250	\$ 371,326
Consumer Price Index (CPI)	100.00	101.31	105.26	112.59	116.48
CPI in decimal	1.00	1.01	1.05	1.13	1.16
Real Estate Tax Revenues (Constant \$)	\$ 360,275	\$ 356,964	\$ 347,015	\$ 311,073	\$ 318,791
Population	2,567	2,567	2,567	2,567	2,567
Real Estate Tax Per Capita (Constant \$)	\$ 140	\$ 139	\$ 135	\$ 121	\$ 124

Warning Sign: Decreasing Real Estate Tax Revenues (Constant \$)



Real Estate Tax Comparison

Real estate tax yields represent the total revenue generated from property taxes. When these revenues fall short of supporting service levels, municipal officials may need to adjust millage rates to meet expenses. This results in higher property taxes for property owners—a necessary but politically challenging decision.

The capacity to raise real estate taxes is influenced, in part, by the rates set by neighboring municipalities. While lower millage rates are generally more appealing to residents, municipalities must strike a balance between maintaining competitive tax rates and addressing their financial obligations. Additionally, they must ensure adequate funding for essential services and infrastructure to preserve fiscal stability.

The table below reviews 2022 millage rates and real estate tax revenues per capita for eight peer municipalities with similar populations. While millage rates are often the focus of comparisons, it is the level of the tax burden that matters most to residents. Curwensville’s lower per capita revenue highlights its position as moderately taxed, with its real estate tax revenue per capita below six of the eight peer municipalities. This suggests that Curwensville is able to consider an increase to its real estate tax rate in the future to help offset inflationary pressures and maintain financial stability.

Municipality	County	Millage Rate	RE Tax Rev	Decennial Population	Per Capita
Brookville Boro	Jefferson	17.89	\$1,352,254	3,995	\$ 338
Ridgway Boro	Elk	17.92	\$863,981	4,039	\$ 214
Brockway Boro	Jefferson	12.375	\$481,965	2,276	\$ 212
Emporium Boro	Cameron	18	\$400,160	1,923	\$ 208
Clearfield Boro	Clearfield	27	\$1,083,051	5,962	\$ 182
Philipsburg Boro	Centre	15.33	\$501,766	2,789	\$ 180
Curwensville Boro	Clearfield	26	\$350,250	2,567	\$ 136
Reynoldsville Boro	Jefferson	10.485	\$324,323	2,549	\$ 127
Pike Twp	Clearfield	8	\$122,060	2,298	\$ 53
				Higher	6
				Lower	2
				Average	\$ 183

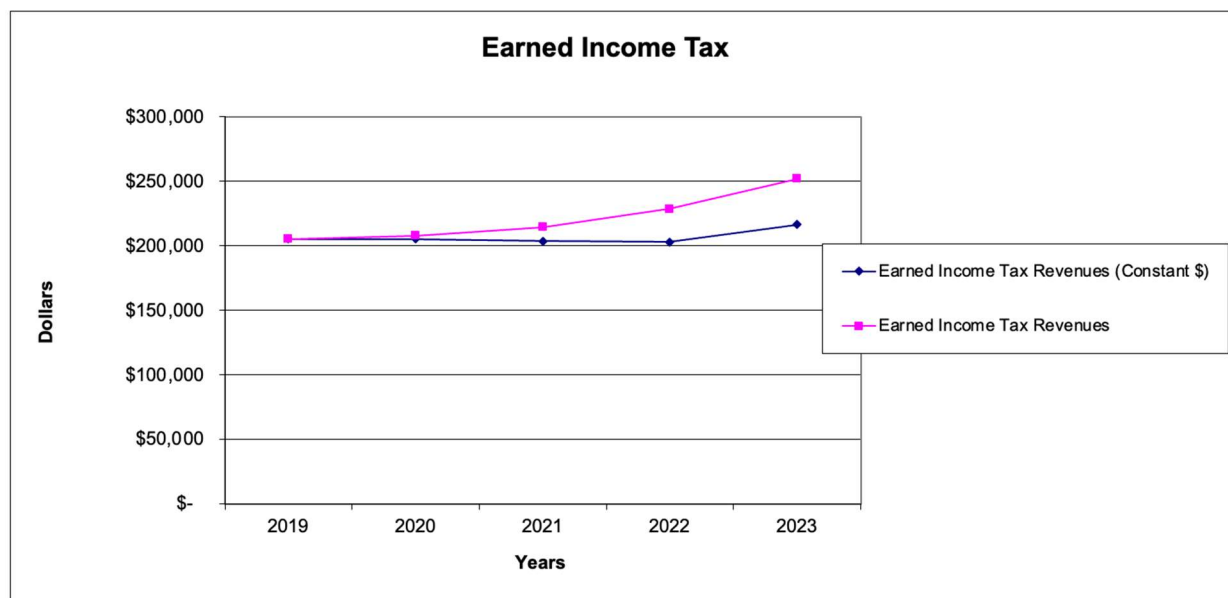
Earned Income Tax Revenue

The Borough's earned Income tax revenue accounted for 24.6% of its total revenue in 2023. EIT revenue increased by 22.7% over the 2019 - 2023 period. However, when adjusted for inflation, the real growth was 5.4%. Earned Income tax revenue represents the Borough's strongest revenue source. No warning sign is warranted.

Earned Income Tax Revenues (Constant \$) = Earned Income Tax Revenues / CPI Decimal

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Earned Income Tax Revenues	\$ 205,379	\$ 208,120	\$ 214,400	\$ 228,584	\$ 252,049
CPI	100.00	101.31	105.26	112.59	116.48
CPI Decimal	1.00	1.01	1.05	1.13	1.16
Earned Income Tax Revenues (Constant \$)	\$ 205,379	\$ 205,439	\$ 203,690	\$ 203,016	\$ 216,389

Warning Sign: Decreasing Earned Income Tax (Constant \$)



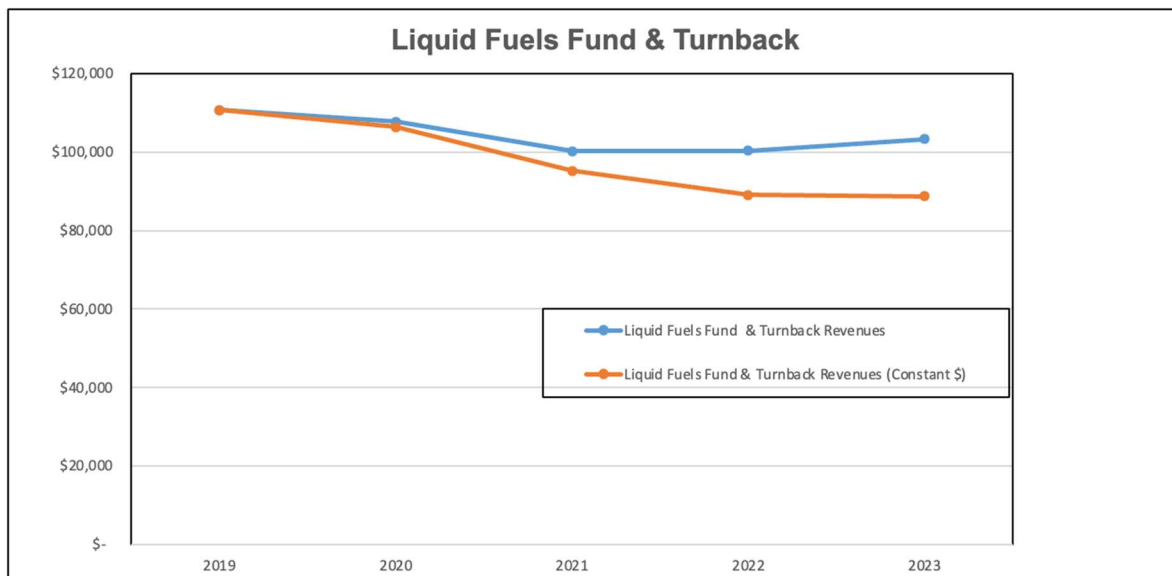
Liquid Fuels Fund & Turnback Revenue

Over the past five years, the Borough's Liquid Fuels and Turnback revenues have declined by 1.7% per year in nominal dollars and 5.0% per year when adjusted for inflation. The diminishing revenues indicate the Borough's reduced capacity to rely on this revenue source to fund infrastructure maintenance and improvements effectively and indicates a **warning sign**.

Liquid Fuels Fund & Turnback Revenue (Constant \$) = Liquid Fuels Fund & Turnback/ CPI Decimal

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Liquid Fuels Fund & Turnback	\$ 110,679	\$ 107,787	\$ 100,265	\$ 100,300	\$ 103,305
CPI	100.00	101.31	105.26	112.59	116.48
CPI Decimal	1.00	1.01	1.05	1.13	1.16
Liquid Fuels & Turnback Revenues (Constant \$)	\$ 110,679	\$ 106,398	\$ 95,256	\$ 89,081	\$ 88,690

Warning Sign: Decreasing Revenues (Constant \$)



Revenue Summary

Curwensville Borough's total core revenues increased by 9.4% from 2019 to 2023.

However, after adjusting for inflation revenue declined by 6.1% over the five-year period.

This indicates that although revenues are increasing, the actual purchasing power of that revenue has eroded. The Borough's largest revenue sources were the real estate tax, earned income tax, and Liquid Fuels Fund. Of these, real estate tax and Liquid Fuels revenues show clear **warning signs** due to declining real values and structural vulnerabilities. Additionally, declining net operating revenues per capita represent a **warning sign**. Together, these trends highlight growing fiscal pressures that will need to be addressed to ensure the Borough's long-term financial sustainability.

Core Expenditure Review

Expenditures are the area where local governments typically have the most control over their finances. The following pages contain a review of major expenditure areas, including general government, police, and public works – highways and streets. The table below shows an expenditure increase of \$111,582 or 12.5% over the 2019 – 2023 period, an annual average increase of 3.1%. The Borough's largest expenditure line items include public works – highways and streets, police, employer paid benefits and general government.

Expenditures	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	Change 5 years	Annual % Change
General Government	\$ 103,821	\$ 93,703	\$ 93,617	\$ 118,676	\$ 160,375	\$ 56,554	13.6%
Police	\$ 150,860	\$ 193,028	\$ 259,742	\$ 287,610	\$ 216,042	\$ 65,182	10.8%
Fire	\$ 52,508	\$ 27,061	\$ 37,342	\$ 30,264	\$ 40,792	\$ (11,716)	-5.6%
Code Enforcement & Other Public Safety	\$ 19,336	\$ 18,887	\$ 19,672	\$ 14,169	\$ 14,719	\$ (4,617)	-6.0%
Health & Human Service	\$ 8,157	\$ 7,075	\$ 1,265	\$ 7,533	\$ 7,083	\$ (1,074)	-3.3%
Public Works - Highways and Streets	\$ 298,403	\$ 383,489	\$ 339,483	\$ 356,179	\$ 321,801	\$ 23,398	2.0%
Culture & Recreation	\$ 3,928	\$ 2,818	\$ 13,982	\$ 10,336	\$ 14,850	\$ 10,922	69.5%
Community Development	\$ 13,238	\$ 1,656	\$ 24,649	\$ 36,033	\$ 6,891	\$ (6,347)	-12.0%
Debt Service	\$ 50,000	\$ 27,327	\$ 27,327	\$ 27,327	\$ 46,681	\$ (3,319)	-1.7%
Employer Paid Benefits	\$ 175,174	\$ 128,036	\$ 130,549	\$ 132,043	\$ 149,611	\$ (25,563)	-3.6%
Insurance	\$ 14,973	\$ 19,673	\$ 20,814	\$ 25,703	\$ 22,970	\$ 7,997	13.4%
Unclassified Operating	\$ -	\$ -	\$ 505	\$ 31	\$ 165	\$ 165	NA
Total	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980	\$ 111,582	3.1%

Expenditures Per Capita

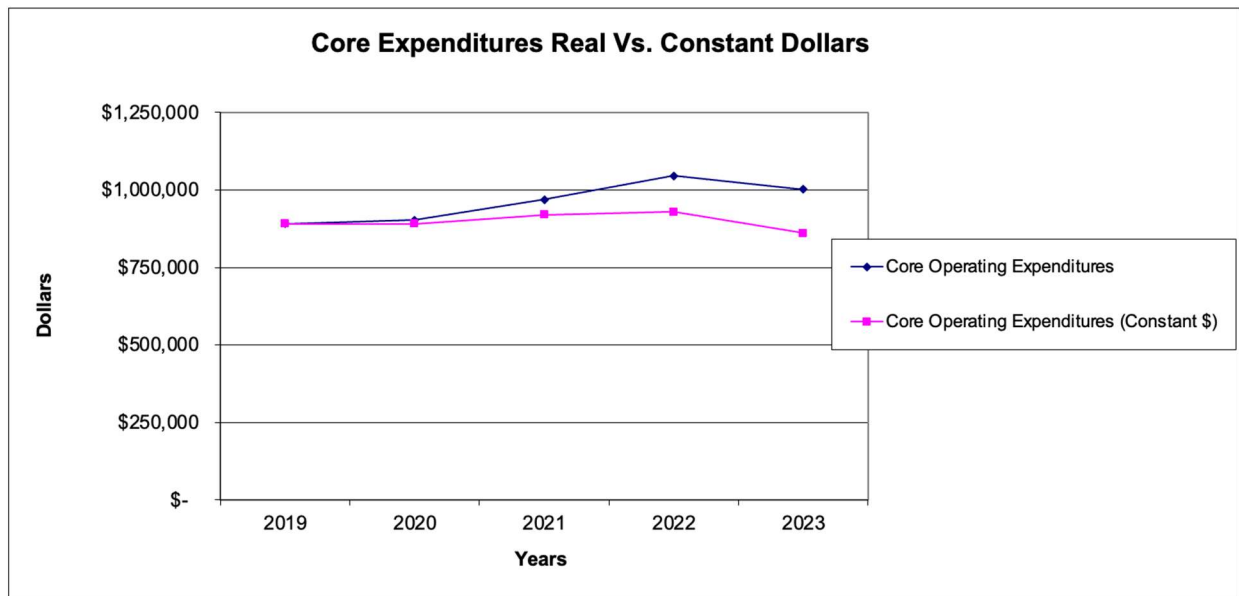
The table below presents the net operating expenditures per capita, adjusted for inflation, over the 2019–2023 period. Adjusted for inflation, per capita expenditures declined by 3.4%, from \$347 in 2019 to \$335 in 2023. Per capita spending remained relatively steady over the period, with a peak of \$362 in 2022 followed by a notable decline in 2023.

This trend suggests that while overall expenditures increased in nominal terms, the Borough managed to moderate spending growth when accounting for inflation. The increase in expenditures between 2019 and 2022 suggests concern, particularly if driven by structural increases in operating expenses. However, the significant drop in 2023 indicates that the Borough took steps to stabilize spending. Given the overall decline in expenditures over the five-year period and the return to pre-2020 levels, no warning sign is warranted at this time.

Expenditures Per Capita = Core Operating Expenditures / Population

	2019	2020	2021	2022	2023
Core Operating Expenditures	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980
Consumer Price Index (CPI)	100.00	101.31	105.26	112.59	116.48
CPI in decimal	1.00	1.01	1.05	1.13	1.16
Core Operating Expenditures (Constant \$)	\$ 890,398	\$ 891,122	\$ 920,544	\$ 928,914	\$ 860,221
Population	2,567	2,567	2,567	2,567	2,567
Expenditures Per Capita (Constant \$)	\$ 347	\$ 347	\$ 359	\$ 362	\$ 335

Warning Sign: Increasing Operating Expenditures Per Capita (Constant \$)



General Government Expenditures

General government expenditures remained relatively stable as a percentage of total operating expenditures between 2019 and 2022, ranging from 9.7% to 11.7%. However, general government spending increased to 16.0% of total core operating expenditures in 2023.

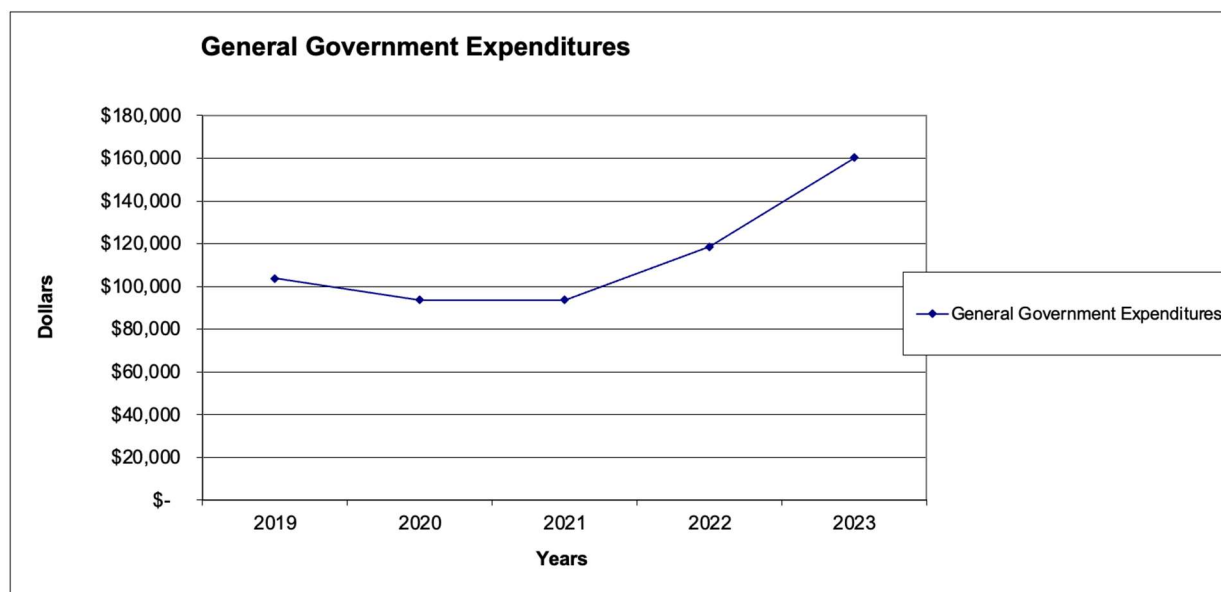
In nominal dollars, expenditures in this category increased by 54.5% over the five-year period. Much of this growth occurred between 2021 and 2023, suggesting an upward shift in administrative costs.

This sharp and recent increase in both absolute and relative terms represents a **warning sign**. While general government expenses had been stable in earlier years, the 2023 spike may indicate growing cost pressures in administrative operations or potential inefficiencies that merit closer examination and ongoing monitoring.

General Government Expenditures = General Government Expenditures / Total Core Operating Expenditures

	2019	2020	2021	2022	2023
General Administration Expenditures	\$ 103,821	\$ 93,703	\$ 93,617	\$ 118,676	\$ 160,375
Total Core Operating Expenditures	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980
General Administration Expenditures as a percentage of Total Core Operating Expenditures	11.7%	10.4%	9.7%	11.3%	16.0%

Warning Sign: Increasing General Administration Expenditures as a percentage of Total Core Operating Expenditures



Police Expenditures

Police expenditures represent one of the Borough's largest expense categories and have shown considerable growth between 2019 and 2023. Over the period, police spending increased by 43.2%, or an average of 10.8% annually.

As a share of total operating expenditures, police spending ranged from 16.9% in 2019 to a peak of 27.5% in 2022, before declining to 21.6% in 2023. This category consistently accounted for a significant portion of the Borough's total budget, making expenditure trends in this area particularly impactful to overall fiscal health.

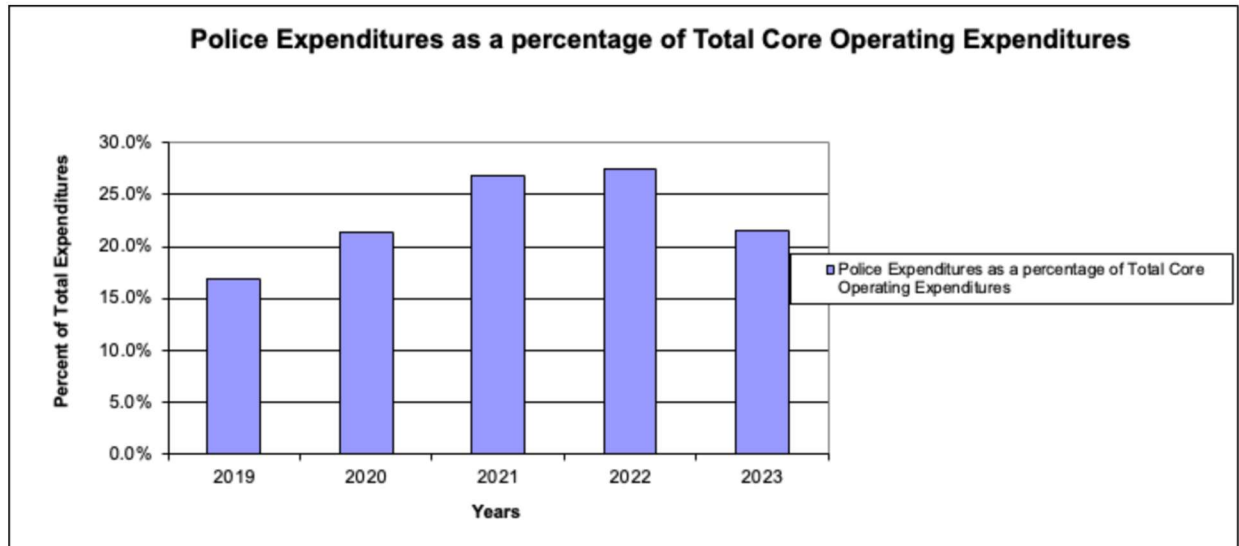
It is recognized that some of the increase in police expenditures can be attributed to out-of-the-ordinary expenses and staffing adjustments, including wage increases, benefit costs, or one-time operational changes. Importantly, the decline in 2023 may reflect the beginning of a period of stabilization following earlier volatility.

Given the size of the category and the scale of growth over the review period, police expenditures warrant a **warning sign**.

Police Expenditures = Police Expenditures / Total Core Operating Expenditures

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police Expenditures	\$ 150,860	\$ 193,028	\$ 259,742	\$ 287,610	\$ 216,042
Total Core Operating Expenditures	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980
Police Expenditures as a percentage of Total Core Operating Expenditures	16.9%	21.4%	26.8%	27.5%	21.6%

Warning Sign: Increasing Police Expenditures as a percentage of Total Core Operating Expenditures



Public Works – Highways and Streets Expenditures

Public works – highways and streets is the Borough’s largest expenditure category and a core area of service delivery. Between 2019 and 2023, expenditures in this category increased by 7.8%, or approximately 2.0% annually.

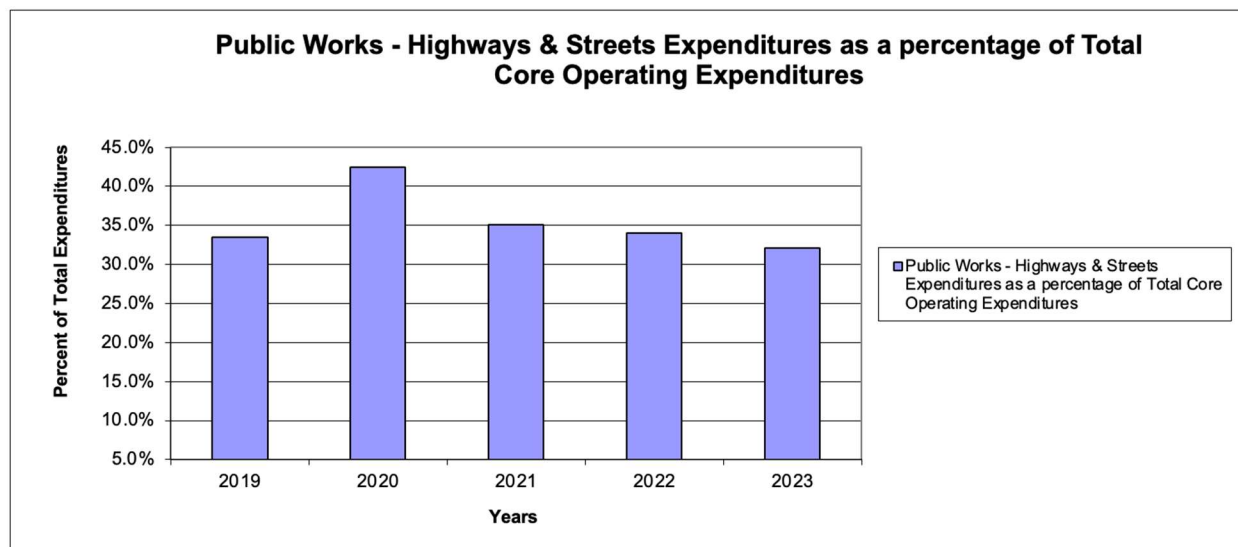
Despite an increase in expenditures of 28.5% between 2019 and 2020, the Borough successfully reduced the percentage of total expenditures in this category from expenditures in this category to 32.1% in 2023.

This indicates strong cost control and planning in one of the Borough’s most essential service areas. Even amid inflationary pressures and capital needs, the Borough has demonstrated discipline in keeping infrastructure spending in line with the overall budget. No warning sign is warranted for this category.

Public Works - Highways & Streets Expenditures = Public Works- Highways & Streets Expenditures / Total Core Operating Expenditures

	2019	2020	2021	2022	2023
Public Works - Highways and Streets Expenditures	\$ 298,403	\$ 383,489	\$ 339,483	\$ 356,179	\$ 321,801
Total Core Operating Expenditures	\$ 890,398	\$ 902,753	\$ 968,947	\$ 1,045,904	\$ 1,001,980
Public Works - Highways & Streets Expenditures as a percentage of Total Core Operating Expenditures	33.5%	42.5%	35.0%	34.1%	32.1%

Warning Sign: Increasing Public Works Expenditures as a percentage of Total Core Operating Expenditures



Expenditure Summary

Total core operating expenditures increased by \$111,582, or 12.5% over the five-year period, or an average annual growth rate of 3.1%.

Police and Public Works are the two largest expense categories and remained the most significant portions of the budget. Police expenditures experienced the most substantial growth, increasing by 43.2%, and rose sharply as a share of total expenditures before declining in 2023. This trend warrants a **warning sign**, particularly due to its outsized impact on the overall budget.

General Government expenditures also increased significantly, growing by 54.5% over the period and accounting for 16.0% of total operating costs in 2023, up from 11.7% in 2019. This recent spike also warrants a **warning sign**, as it may reflect underlying cost pressures or administrative expansion.

In contrast, Public Works – Highways and Streets expenditures fluctuated as a percentage of total operating expenditures. However, by the end of the five-year period, expenditures appeared to be under control, at a lower percentage than in 2019.

Several other expenditure categories—including Fire and Employer Paid Benefits—declined as a percentage of total operating expenditures over the period.

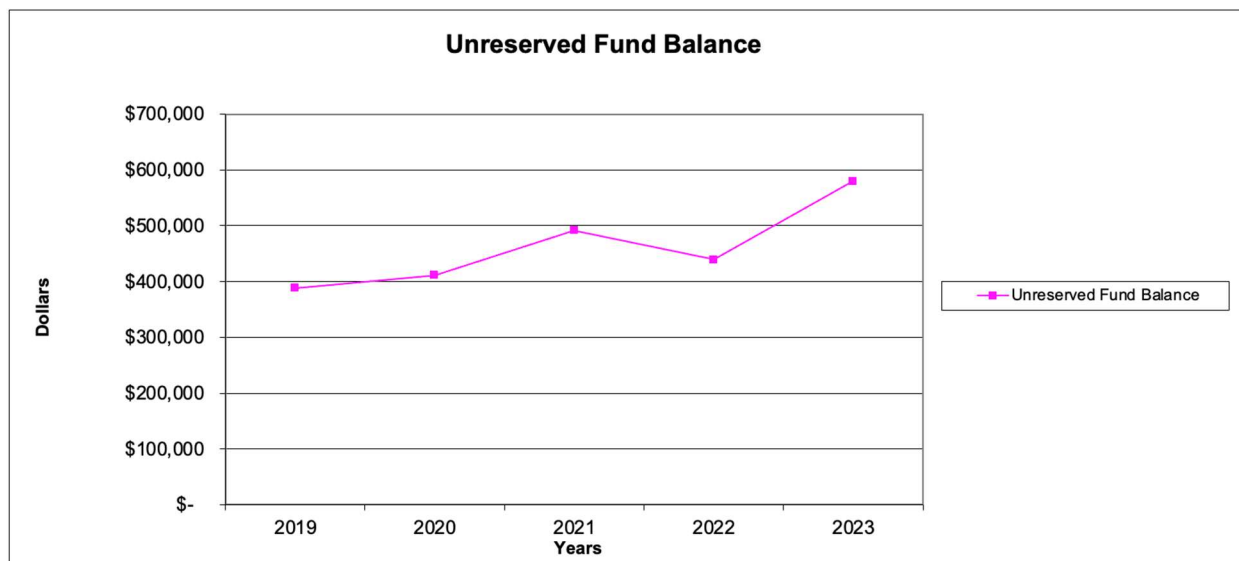
The Borough has managed to maintain overall expenditure growth within a sustainable range. However, the concentration of expenditure growth in certain categories highlights the need for continued monitoring to ensure that cost increases are aligned with service levels and long-term financial capacity.

Unreserved Fund Balance

Curwensville Borough maintained a substantial and increasing (with the exception of 2022) unreserved fund balance over the 2019 - 2023 period. These funds grew from 43.6% of total operating revenues in 2019 to 57.8% in 2023. For a small municipality, this is a healthy amount of reserve funds, representing approximately 7 months of operating revenues. The balance does not suggest a cause for concern based on the standards for a small municipality.

Unreserved Fund Balance / Operating Revenues General Fund

	2019	2020	2021	2022	2023
Unreserved Fund Balance	\$ 388,558	\$ 411,473	\$ 491,354	\$ 438,997	\$ 579,633
Operating Revenues General Fund	\$ 890,398	\$ 902,753	\$ 968,947	\$1,045,904	\$1,001,980
Unreserved Fund Balance as a percentage of Operating Revenues	43.6%	45.6%	50.7%	42.0%	57.8%



Core Financial Projections

Step 2 of the STMP program requires projections of revenues and expenditures for the next five years based on trends observed in the historical financial analysis and larger economic trends. The principle function of these projections is to show what is expected to happen to the Borough's finances if no corrective action is taken to reduce expenditures and generate new or increased revenues.

It is difficult to make projections 3 – 5 years into the future as there are many factors that influence both revenues and expenditures, so caution must be taken in utilizing these figures as they are designed to reflect only what is known at this point in time. Projections are in line with past performance and account for predictable changes in expenditures and revenues. Projections through 2029 are based on the past performance presented above, 2024 unaudited financial information, and the Borough's 2025 budget.

Revenue Forecast

Curwensville Borough's revenues are projected to grow at an average annual rate of 1.1% through 2029. The real estate tax is expected to remain the Borough's primary source of revenue. However, revenue from the Earned Income Tax is anticipated to grow more rapidly—by approximately 3.5% per year based on historical trends—making it an increasingly significant component of the Borough's overall collections. Projections indicate that the Borough will continue to experience revenue decreases in the Liquid Fuel Fund, licenses and permits, fines and forfeits and interest and rents revenue categories. Other remaining revenue streams are projected to remain constant or increase slightly.

Revenues	2023	Change 5 years	Annual % Change	Projected % Change	2024	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Real Estate Tax	\$ 371,326	\$ 11,051	0.8%	0.5%	\$ 373,183	\$ 375,049	\$ 376,924	\$ 378,808	\$ 380,702	\$ 382,606
Earned Income Tax	\$ 252,049	\$ 46,670	5.7%	3.5%	\$ 258,831	\$ 267,890	\$ 277,266	\$ 286,971	\$ 297,015	\$ 307,410
Other Tax Revenue	\$ 58,297	\$ (2,966)	-1.2%	0.0%	\$ 63,816	\$ 63,816	\$ 63,816	\$ 63,816	\$ 63,816	\$ 63,816
Licenses & Permits	\$ 20,736	\$ (2,735)	-2.9%	-3.0%	\$ 20,126	\$ 19,522	\$ 18,937	\$ 18,368	\$ 17,817	\$ 17,283
Fines & Forfeits	\$ 13,549	\$ (1,783)	-2.9%	-2.0%	\$ 13,112	\$ 12,850	\$ 12,593	\$ 12,341	\$ 12,094	\$ 11,852
Interest & Rents	\$ 11,867	\$ 4,553	15.6%	-2.0%	\$ 11,000	\$ 10,780	\$ 10,564	\$ 10,353	\$ 10,146	\$ 9,943
Liquid Fuels Fund & Turnback	\$ 103,305	\$ (7,374)	-1.7%	-1.5%	\$ 102,621	\$ 101,082	\$ 99,565	\$ 98,072	\$ 96,601	\$ 95,152
Intergovernmental-Other	\$ 80,169	\$ 13,514	5.1%	0.5%	\$ 84,733	\$ 85,157	\$ 85,582	\$ 86,010	\$ 86,440	\$ 86,873
Charges for Service	\$ 103,710	\$ 49,161	22.5%	0.5%	\$ 111,308	\$ 114,500	\$ 115,073	\$ 115,648	\$ 116,226	\$ 116,807
Unclassified Operating	\$ 7,885	\$ (13,383)	-15.7%	2.0%	\$ 568	\$ 6,510	\$ 6,641	\$ 6,773	\$ 6,909	\$ 7,047
Refund of Prior Year Expenditures	\$ 1,546	\$ (8,567)	-21.2%		\$ -					
Total	\$ 1,024,439	\$ 96,708	2.4%	1.1%	\$ 1,039,298	\$ 1,057,155	\$ 1,066,961	\$ 1,077,161	\$ 1,087,767	\$ 1,098,789

Expenditure Forecast

Expenditure projections were made using the same basis as revenues, except for debt service on the loan for Multimodal Transportation Fund project, which is expected to increase from approximately \$35,500 in 2025 to \$54,200 in years 2026 through 2029. While expenditures have shown some fluctuation over the last five years, particularly between 2019 and 2021, trends have been relatively steady since then, and expenditures are projected to continue to increase by 3.4% annually over the next five years.

Expenditures	2023	Change \$ years	Annual % Change	Projected % Change	2024	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
General Government	\$ 160,375	\$ 56,554	13.6%	3.0%	\$ 141,406	\$ 145,648	\$ 150,018	\$ 154,518	\$ 159,154	\$ 163,928
Police	\$ 216,042	\$ 65,182	10.8%	3.0%	\$ 286,482	\$ 295,076	\$ 303,929	\$ 313,047	\$ 322,438	\$ 332,111
Fire	\$ 40,792	\$ (11,716)	-5.6%	1.0%	\$ 40,300	\$ 40,703	\$ 41,110	\$ 41,521	\$ 41,936	\$ 42,356
Code Enforcement & Planning and Zoning	\$ 14,719	\$ (4,617)	-6.0%	2.0%	\$ 15,407	\$ 15,715	\$ 16,029	\$ 16,350	\$ 16,677	\$ 17,011
Health & Human Service	\$ 7,083	\$ (1,074)	-3.3%	2.0%	\$ 7,225	\$ 7,369	\$ 7,517	\$ 7,667	\$ 7,820	\$ 7,977
Public Works - Highways & Streets	\$ 321,801	\$ 23,398	2.0%	3.0%	\$ 334,859	\$ 344,905	\$ 355,252	\$ 365,909	\$ 376,887	\$ 388,193
Culture & Recreation	\$ 14,850	\$ 10,922	69.5%	3.0%	\$ 2,663	\$ 2,743	\$ 2,825	\$ 2,910	\$ 2,997	\$ 3,087
Community Development	\$ 6,891	\$ (6,347)	-12.0%	1.5%	\$ 5,000	\$ 5,075	\$ 5,151	\$ 5,228	\$ 5,307	\$ 5,386
Debt Service	\$ 46,681	\$ (3,319)	-1.7%	0.0%	\$ 27,327	\$ 35,458	\$ 54,178	\$ 54,178	\$ 54,177	\$ 54,177
Employee Paid Benefits	\$ 149,611	\$ (25,563)	-3.6%	2.0%	\$ 146,115	\$ 149,037	\$ 152,018	\$ 155,058	\$ 158,160	\$ 161,323
Insurance	\$ 22,970	\$ 7,997	13.4%	6.0%	\$ 19,586	\$ 20,761	\$ 22,007	\$ 23,327	\$ 24,727	\$ 26,210
Other Expenditures	\$ 165	\$ 165	NA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,001,980	\$ 111,582	3.1%	3.4%	\$ 1,026,370	\$ 1,062,491	\$ 1,110,033	\$ 1,139,714	\$ 1,170,280	\$ 1,201,760

Projections Summary

These projections suggest that the overall rate of increase in expenditures will exceed the increase in expenditures by 2.3% over the period from 2025 through 2029 and that without any changes to increase revenues or reduced expenditures, the Borough will experience deficits during the period.

	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Surplus/(Deficit)	\$ (5,336)	\$ (43,073)	\$ (62,553)	\$ (82,513)	\$ (102,971)
Cumulative Surplus/(Deficit)	\$ 7,592	\$ (35,481)	\$ (98,034)	\$ (180,547)	\$ (283,517)

Emergency Recommendations

In order to remedy the current and projected structural deficit, it is recommended that Curwensville Borough make minor adjustments to revenue and expenditures now to avoid future deficits. Given inflation impacts, the Borough may also want to consider adjusting the real estate tax rate to support long-term financial stability. In addition, the Borough should consider developing policies now regarding the use of reserve funds. Collaborating with the auditor to standardize budget categories will help establish consistency and enhance financial management in the future.