

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To The Mayor and Members of Council
Borough of East Petersburg
East Petersburg, Pennsylvania

Opinion

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of East Petersburg as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Borough of East Petersburg as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Unmodified
Capital Projects Fund	Unmodified
Fire Tax Protection Fund	Unmodified
Highway Aid Fund	Unmodified
Municipal Trash Fund	Unmodified
Water Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Opinions

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, amount 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's modified cash basic financial statements. The combining capital projects fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining capital projects fund financial statements is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Other Information

The budgetary comparison information on pages 24 and 25, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters

Management has not presented the management's discussion and analysis that governmental 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 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. Our opinion on the basic financial statements is not affected by this missing information.

Sager, Swisher and Company, LLP

Lancaster, Pennsylvania
June 30, 2023

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF NET POSITION – MODIFIED CASH BASIS
DECEMBER 31, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 4,363,093	\$ 1,482,204	\$ 5,845,297
Investments	1,229,522	870,653	2,100,175
Internal Balances	<u>(15,255)</u>	<u>15,255</u>	<u>--</u>
Total Current Assets	<u>5,577,360</u>	<u>2,368,112</u>	<u>7,945,472</u>
TOTAL ASSETS	<u>\$ 5,577,360</u>	<u>\$ 2,368,112</u>	<u>\$ 7,945,472</u>
LIABILITIES			
Payroll Deductions and Withholdings	\$ 7,509	\$ --	\$ 7,509
Escrow Deposits	<u>2,498</u>	<u>--</u>	<u>2,498</u>
TOTAL LIABILITIES	<u>10,007</u>	<u>--</u>	<u>10,007</u>
NET POSITION			
Restricted	2,791,838	2,368,112	5,159,950
Unrestricted	<u>2,775,515</u>	<u>--</u>	<u>2,775,515</u>
TOTAL NET POSITION	<u>5,567,353</u>	<u>2,368,112</u>	<u>7,935,465</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,577,360</u>	<u>\$ 2,368,112</u>	<u>\$ 7,945,472</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2022**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Governmental Activities							
General Government	\$ 300,517	\$ 23,952	\$ --	\$ 237,206	\$ (39,359)	\$ --	\$ (39,359)
Public Safety	1,169,065	44,821	30,906	--	(1,093,338)	--	(1,093,338)
Highways and Streets	533,976	38,991	--	348,771	(146,214)	--	(146,214)
Culture and Recreation	146,246	58,800	10,000	--	(77,446)	--	(77,446)
Employee Benefits, Insurance and Other Miscellaneous Expenses	<u>83,891</u>	<u>--</u>	<u>13,356</u>	<u>--</u>	<u>(70,535)</u>	<u>--</u>	<u>(70,535)</u>
Total Governmental Activities	<u>2,233,695</u>	<u>166,564</u>	<u>54,262</u>	<u>585,977</u>	<u>(1,426,892)</u>	<u>--</u>	<u>(1,426,892)</u>
Business-Type Activities							
Trash	437,668	484,630	7,150	--	--	54,112	54,112
Water	988,142	1,038,495	55,678	--	--	106,031	106,031
Rental Fund	<u>5,112</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(5,112)</u>	<u>(5,112)</u>
Total Business-Type Activities	<u>1,430,922</u>	<u>1,523,125</u>	<u>62,828</u>	<u>--</u>	<u>--</u>	<u>155,031</u>	<u>155,031</u>
Total Entity-Wide Activities	<u>\$ 3,664,617</u>	<u>\$ 1,689,689</u>	<u>\$ 117,090</u>	<u>\$ 585,977</u>	<u>(1,426,892)</u>	<u>155,031</u>	<u>(1,271,861)</u>
General Revenues							
Property Taxes, Levied for General Purposes, Net					1,736,933	--	1,736,933
Other Taxes and Franchise Fees Levied for Specific Purposes, Net					938,561	--	938,561
Investment Earnings					(97,938)	(93,508)	(191,446)
Miscellaneous Income					<u>1,658</u>	<u>18,052</u>	<u>19,710</u>
Total General Revenues					<u>2,579,214</u>	<u>(75,456)</u>	<u>2,503,758</u>
Transfers					25,000	(25,000)	--
Change in Net Position					1,177,322	54,575	1,231,897
Net Position – January 1, 2022					<u>4,390,031</u>	<u>2,313,537</u>	<u>6,703,568</u>
Net Position – December 31, 2022					<u>\$ 5,567,353</u>	<u>\$ 2,368,112</u>	<u>\$ 7,935,465</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**BALANCE SHEET – MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Major Funds				
	General Fund	Capital Projects Fund	Fire Tax Protection Fund	Highway Aid Fund	Total
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 2,721,141	\$ 1,166,527	\$ 99,099	\$ 376,326	\$ 4,363,093
Investments	567,622	448,482	213,418	--	1,229,522
Due from Other Funds	--	15,065	--	--	15,065
Total Current Assets	<u>3,288,763</u>	<u>1,630,074</u>	<u>312,517</u>	<u>376,326</u>	<u>5,607,680</u>
TOTAL ASSETS	<u>\$ 3,288,763</u>	<u>\$ 1,630,074</u>	<u>\$ 312,517</u>	<u>\$ 376,326</u>	<u>\$ 5,607,680</u>
LIABILITIES					
Due to Other Funds	\$ 30,320	\$ --	\$ --	\$ --	\$ 30,320
Payroll Deductions and Withholdings	7,509	--	--	--	7,509
Escrow Deposits	2,498	--	--	--	2,498
TOTAL LIABILITIES	<u>40,327</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>40,327</u>
FUND BALANCES					
Restricted	472,921	1,630,074	312,517	376,326	2,791,838
Assigned	391,455	--	--	--	391,455
Unassigned	2,384,060	--	--	--	2,384,060
TOTAL FUND BALANCES	<u>3,248,436</u>	<u>1,630,074</u>	<u>312,517</u>	<u>376,326</u>	<u>5,567,353</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,288,763</u>	<u>\$ 1,630,074</u>	<u>\$ 312,517</u>	<u>\$ 376,326</u>	<u>\$ 5,607,680</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	<u>Major Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Fire Tax Protection Fund</u>	<u>Highway Aid Fund</u>	
REVENUES					
Real Estate Taxes and Penalties	\$ 1,491,852	\$ --	\$ 245,081	\$ --	\$ 1,736,933
Other Taxes	856,533	--	--	--	856,533
Licenses and Permits	75,518	6,660	--	--	82,178
Fines and Forfeits	6,109	--	--	--	6,109
Interest, Rents and Royalties	(42,891)	(27,951)	(12,935)	391	(83,386)
Intergovernmental Revenue	280,468	224,046	--	124,725	629,239
Charges for Services	75,517	58,800	--	--	134,317
Miscellaneous Revenue	3,493	10,000	--	--	13,493
TOTAL REVENUES	<u>2,746,599</u>	<u>271,555</u>	<u>232,146</u>	<u>125,116</u>	<u>3,375,416</u>
EXPENDITURES					
General Government	299,507	1,010	--	--	300,517
Public Safety	1,001,305	--	167,760	--	1,169,065
Highways and Streets	210,328	241,979	--	81,669	533,976
Culture and Recreation	127,549	18,697	--	--	146,246
Employee Benefits, Insurance and Other Miscellaneous Expenditures	83,891	--	--	--	83,891
TOTAL EXPENDITURES	<u>1,722,580</u>	<u>261,686</u>	<u>167,760</u>	<u>81,669</u>	<u>2,233,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,024,019</u>	<u>9,869</u>	<u>64,386</u>	<u>43,447</u>	<u>1,141,721</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	--	10,601	--	--	10,601
Transfers In	15,000	400,368	--	--	415,368
Transfers Out	(390,368)	--	--	--	(390,368)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(375,368)</u>	<u>410,969</u>	<u>--</u>	<u>--</u>	<u>35,601</u>
Changes in Fund Balances	648,651	420,838	64,386	43,447	1,177,322
Fund Balances – January 1, 2022	<u>2,599,785</u>	<u>1,209,236</u>	<u>248,131</u>	<u>332,879</u>	<u>4,390,031</u>
Fund Balances – December 31, 2022	<u>\$ 3,248,436</u>	<u>\$ 1,630,074</u>	<u>\$ 312,517</u>	<u>\$ 376,326</u>	<u>\$ 5,567,353</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF NET POSITION – MODIFIED CASH BASIS
PROPRIETARY FUNDS
DECEMBER 31, 2022**

	Major Funds		Nonmajor Fund	
	Municipal Trash Fund	Water Fund	6060 Main St. Fund	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 177,685	\$ 1,290,646	\$ 13,873	\$ 1,482,204
Investments	251,477	590,794	28,382	870,653
Due from Other Funds	515	14,740	--	15,255
Total Current Assets	<u>429,677</u>	<u>1,896,180</u>	<u>42,255</u>	<u>2,368,112</u>
TOTAL ASSETS	<u>\$ 429,677</u>	<u>\$ 1,896,180</u>	<u>\$ 42,255</u>	<u>\$ 2,368,112</u>
LIABILITIES				
	\$ --	\$ --	\$ --	\$ --
NET POSITION				
Unrestricted	429,677	1,896,180	42,255	2,368,112
TOTAL NET POSITION	<u>429,677</u>	<u>1,896,180</u>	<u>42,255</u>	<u>2,368,112</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 429,677</u>	<u>\$ 1,896,180</u>	<u>\$ 42,255</u>	<u>\$ 2,368,112</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –
MODIFIED CASH BASIS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Major Funds		Nonmajor Fund	Total
	Municipal Trash Fund	Water Fund	6060 Main St. Fund	
OPERATING REVENUE				
Charges and Fees	\$ 484,630	\$ 951,054	\$ --	\$ 1,435,684
TOTAL OPERATING REVENUE	<u>484,630</u>	<u>951,054</u>	<u>--</u>	<u>1,435,684</u>
OPERATING EXPENSES				
Salaries	8,860	242,201	--	251,061
Payroll Taxes	723	19,472	--	20,195
Employee Benefits	1,522	27,690	--	29,212
Pension Contribution	699	14,368	--	15,067
Worker's Compensation	--	7,567	--	7,567
Office Expenses	5,291	8,131	--	13,422
Dues and Subscriptions	--	1,054	--	1,054
Education and Training	--	11,082	--	11,082
Professional Services	7,483	30,649	--	38,132
Telephone	--	5,341	--	5,341
Disposal Fees	385,099	--	--	385,099
Material and Supplies	12,734	73,978	--	86,712
Utilities	--	35,124	--	35,124
Repairs and Maintenance	--	58,194	--	58,194
Water Testing and Analysis	--	6,633	--	6,633
Purchased Services	11,707	25,952	--	37,659
Vehicle Expenses	--	24,348	--	24,348
General Insurance	1,062	13,572	--	14,634
Uniforms	--	2,549	--	2,549
Equipment & Tools	1,866	3,174	--	5,040
Other	622	10,070	--	10,692
Capital Projects	--	366,993	--	366,993
TOTAL OPERATING EXPENSES	<u>437,668</u>	<u>988,142</u>	<u>--</u>	<u>1,425,810</u>
OPERATING INCOME (LOSS)	<u>46,962</u>	<u>(37,088)</u>	<u>--</u>	<u>9,874</u>
NON-OPERATING REVENUES (EXPENSES)				
Transfers Out	(15,000)	(10,000)	--	(25,000)
General Municipal Pension System State Aid	699	14,368	--	15,067
Grant Revenue	6,451	41,310	--	47,761
Rental Income	--	87,441	--	87,441
Interest Income	(19,396)	(71,020)	(3,092)	(93,508)
Rental Property Expense	--	--	(5,112)	(5,112)
Miscellaneous Income	16,389	1,663	--	18,052
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(10,857)</u>	<u>63,762</u>	<u>(8,204)</u>	<u>44,701</u>
Changes in Net Position	<u>36,105</u>	<u>26,674</u>	<u>(8,204)</u>	<u>54,575</u>
Net Position – January 1, 2022	<u>393,572</u>	<u>1,869,506</u>	<u>50,459</u>	<u>2,313,537</u>
Net Position – December 31, 2022	<u>\$ 429,677</u>	<u>\$ 1,896,180</u>	<u>\$ 42,255</u>	<u>\$ 2,368,112</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Major Funds		Nonmajor Fund
	Municipal Trash Fund	Water Fund	6060 Main St. Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 484,630	\$ 951,054	\$ --
Cash Payments for Goods and Services	(428,808)	(745,941)	--
Cash Payments to Employees	(8,860)	(242,201)	--
Cash Received (Paid) - Interfund Transactions	(155)	(7,598)	--
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	46,807	(44,686)	--
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	7,150	55,678	--
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	7,150	55,678	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interfund Transfers	(15,000)	(10,000)	--
Rental Income	--	87,441	--
Nonoperating Revenues	16,389	1,663	--
Payments for Rental Property Expense	--	--	(5,112)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	1,389	79,104	(5,112)
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on Investments	14	817	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	14	817	--
Net Increase (Decrease) in Cash and Cash Equivalents	55,360	90,913	(5,112)
Cash and Cash Equivalents – Beginning of Year	122,325	1,199,733	18,985
Cash and Cash Equivalents – End of Year	\$ 177,685	\$ 1,290,646	\$ 13,873

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022**

	Major Funds		Nonmajor Fund
	Municipal Trash Fund	Water Fund	6060 Main St. Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 46,962	\$ (37,088)	\$ --
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
(Increase) Decrease in Due from Other Funds	(155)	(7,598)	--
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 46,807</u>	<u>\$ (44,686)</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS – FIDUCIARY FUND
DECEMBER 31, 2022**

	<u>Non-Uniform Pension Fund</u>
ASSETS	
Investments	\$ <u>308,966</u>
 TOTAL ASSETS	\$ <u>308,966</u>
LIABILITIES	\$ <u>--</u>
NET POSITION	
Restricted for Pension Benefits	<u>308,966</u>
 TOTAL NET POSITION	<u>308,966</u>
 TOTAL LIABILITIES AND NET POSITION	\$ <u>308,966</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS – FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Non-Uniform Pension Fund</u>
ADDITIONS	
State Contributions – Act 205	\$ 28,423
Municipal Contributions	4,384
Employee Contributions	13,130
Investment Earnings	<u>(52,209)</u>
TOTAL ADDITIONS	<u>(6,272)</u>
DEDUCTIONS	
Fees	<u>740</u>
TOTAL DEDUCTIONS	<u>740</u>
Changes in Net Position	(7,012)
Net Position – January 1, 2022	<u>315,978</u>
Net Position – December 31, 2022	<u><u>\$ 308,966</u></u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of East Petersburg were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body of the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

In evaluating the Borough as a reporting entity, management has addressed all potential component units, which may or may not fall within the Borough's financial accountability. The criteria used to evaluate component units for possible inclusion of the Borough's reporting entity are financial accountability and the nature and significance of the relationship. This report includes all of the funds of the Borough of East Petersburg. The Borough is not a component unit of another reporting entity, nor does it have any component units.

The following joint venture is not a component unit of the Borough of East Petersburg, and is not included in this report:

Hempfield Area Recreation Commission (HARC) – is a separate legal entity. It was organized to provide for recreational needs of the residents of the Hempfield area. HARC uses the Hempfield Sports Complex and existing school or municipal facilities to provide a wide range of activities year-round under the supervision of an executive director. HARC is composed of a chairman (member-at-large) and a ten-member board with members from each of the following five entities: Borough of East Petersburg, Borough of Mountville, Hempfield School District, East Hempfield Township, and West Hempfield Township. HARC is not reported as part of the Borough's reporting entity. For the year ended December 31, 2022, the Borough contributed \$9,553 to HARC. Complete financial statements for HARC can be obtained from the HARC Office at the Hempfield Sports Complex at 950 Church Street, Landisville, PA 17538.

B. Fund Accounting

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

C. Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Borough's governmental and business-type activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fund financial statements are also provided in the report for all of the governmental funds and the fiduciary funds of the Borough. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The Borough reports the following major governmental funds:

The general fund is the Borough's principal operating fund used to account for all financial resources except those required to be in another fund. This fund also includes the activities of the payroll fund, the snow maintenance fund, the public safety fund, the contractor escrow fund, and the American Rescue Plan Fund.

The capital projects fund is used to account for financial resources related to fixed asset acquisitions, construction and improvements. This fund includes the Capital Reserve Fund, Park and Open Space Fund, Equipment Reserve Fund, the Pool Reserve Fund, and the Fire Reserve fund.

The special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The funds included in this category are:

- The Fire Tax Protection Fund was established to account for the portion of the real estate tax receipts levied for fire taxes. Disbursements from this fund are to reimburse the volunteer fire company located within the Borough for expenses incurred.
- The Highway Aid Fund was established to account for the state distributions of the proceeds from the state tax on gasoline. Under the Act of June 1, 1956, P.L. 1944, No. 145, this fund must be kept separate from all other funds and no other funds shall be commingled with this fund. Disbursements from this fund are primarily for street construction and maintenance and repairs.

The Borough also reports the following enterprise funds:

The Municipal Trash Fund accounts for the revenues and other costs and expenses of providing trash/recycling services to residents, commercial, and industrial entities.

The Water Fund accounts for the revenues and other costs and expenses of providing water service to residents, commercial and industrial entities. This fund also includes activities of the water reserve fund.

The 6060 Main Street Fund accounts for the revenue and other costs and expenses to maintain the rental property located at 6060 Main Street.

Fiduciary Fund Types are used to account for the assets held by the Borough as a trustee or agent for individuals, private organizations and/or governmental units. The funds included in this category are:

The Non-Uniformed Pension Fund was established to provide benefits for Borough employees. The principal revenue source for these funds is state contributions, employer contributions and investment earnings.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements regardless of measurement focus.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The Borough's accounts are maintained, and these statements are presented, on the modified cash basis of accounting under which income collected, costs and expenses paid, assets, liabilities, fund balance and net assets arising as a result of cash transactions or from the acquisition of long-lived assets, for cash are recognized. Receivables, payables, and deferred expenses, which may be material in amount, are not reflected in the accompanying financial statements which are not intended to present the financial position or the results of operations in conformity with generally accepted accounting principles.

E. Budgets and Budgetary Accounting

An operating budget is adopted every year for the general fund on a modified cash basis of accounting. The general fund is the only fund for which a budget is legally required. Appropriations lapse at the end of the year. Board approval is required for budget amendments. In order to preserve a portion of an appropriation for which an expenditure has been committed by purchase order, contract, or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at the year-end are reported as reservations of fund balances. As of December 31, 2022, the Borough had no encumbrances.

The Borough Council may make new appropriations, supplementary appropriations and transfers from one appropriation to another during the fiscal year, provided it is within the current year's revenues or from funds made available from additional borrowings.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

G. Capital Assets

Capital assets are not recorded and are considered an expenditure when purchased. No depreciation has been provided for in these financial statements.

H. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principal and interest are reported as expenditures.

I. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reporting amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. All investments are stated at cost, which approximates fair value.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. During the year ended December 31, 2022, the Borough did not have any deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. During the year ended December 31, 2022, the Borough did not have any deferred inflows of resources.

L. Net Position Flow Assumption

Sometimes the Borough will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the Borough's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Balance Policy

The Borough implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable – amounts that are not in spendable form (such as inventory) or required to be legally or contractually maintained intact,

Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed – amounts that can be used only for the specific purposes determined by a formal action of the Borough Council (the borough's highest level of decision-making authority). The Council is required to also take formal action to modify or rescind the commitment,

Assigned – amounts intended to be used by the Borough for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

Unassigned – residual classification for the Borough's general fund and includes all spendable amounts not contained in the other classifications.

N. Changes in Accounting Principles

During the year ended December 31, 2022, the Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. This standard does not currently materially impact the Borough, but may in the future based on operating lease activity.

O. Date of Management's Review

Management has evaluated subsequent events through June 30, 2023, the date the financial statements were available to be issued.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including obligations of (1) the United States of America or any of its agencies or instrumentalities back by full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation are authorized to the extent that such accounts are so insured and, for amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository. In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in a variety of investments as determined by the respective boards.

Act 10 of 2016 was signed into law on March 25, 2016. This legislation expands the list of permitted investments for all Pennsylvania governmental entities. Prior to Act 10, authorized investment types included U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations and insured or collateralized time deposits and certificates of deposits.

Additional permitted investments under Act 10 are high-quality, short-term money market instruments that include the following security types: commercial paper, banker's acceptances, negotiable certificates of deposit and insured bank deposit reciprocals. Act 10 also provides for new safeguards to manage risks of the additional permitted investments such as short maturity periods and high credit quality. The Borough holds investments with Edward Jones that include certificates of deposits, federally tax-exempt municipal bonds, taxable municipal bonds, and government and agency securities.

Cash

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned. The Borough does not have a policy for custodial credit risk. As of December 31, 2022, \$5,476,459 of the Borough's bank balance of \$5,976,459 was exposed to custodial credit risk as:

Uninsured and uncollateralized	\$ --
Collateralized with securities held by the pledging financial institution	--
Uninsured and collateral held by the pledging bank's trust department not in the Borough's name	5,476,459
	\$ 5,476,459
 <u>Reconciliation to Financial Statements</u>	
Uninsured Amount Above	\$ 5,476,459
Plus: Insured Amount	500,000
Add: Deposits in Transit	3,328
Less: Outstanding Checks	(134,690)
Carrying Amount – Bank Balances	5,845,097
Plus: Cash on Hand	200
Total Cash per Financial Statements	\$ 5,845,297

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of December 31, 2022, the Borough had the following investments:

<u>Investment</u>	<u>Fair Value</u>
Edward Jones Investments	\$ 2,100,175
	<u>\$ 2,100,175</u>

Investments within Edward Jones Investments consist of the following:

<u>Investment</u>	<u>Fair Value</u>
Certificates of Deposit	\$ 372,169
Taxable Municipal Bonds	18,678
Federally Tax-Exempt Municipal Bonds	1,378,876
Government and Agency Securities	91,565
Cash	<u>238,887</u>
	<u>\$ 2,100,175</u>

Interest Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of returns for investments on a monthly basis.

Credit Risk

The Borough does not have an investment policy that would limit its investment choices to certain credit ratings.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2022, \$1,728,007 of the Borough's investments of \$2,100,175 were exposed to custodial risk as:

Uninsured or Unregistered	\$ 1,728,007
Uninsured or unregistered with securities held by counterparty's trust department	--
Uninsured or unregistered held by the counterparty or by its trust department not in the Borough's name, but pledged collateral under Act 72	<u>--</u>
	<u>\$ 1,728,007</u>

All interest and noninterest bearing demand accounts are aggregated in total by financial institution and are fully insured up to \$250,000. Time and savings accounts also have FDIC insurance coverage up to \$250,000. The Borough currently has \$500,000 of FDIC protection with Fulton Bank, however the remaining deposits of \$5,476,459 with Fulton Bank are still secure, as they are covered by the Pennsylvania Act 72 Collateralization Pool.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments with Edward Jones are covered under Security Investor Protection Corporation (SIPC), which provides \$500,000 of coverage for missing securities, including \$250,000 for claims of cash awaiting reinvestment.

Concentration of Credit Risk – Deposits and Investments

All of the Borough's deposits are held with Fulton Bank.

Credit Risk

The Borough does not have an investment policy that would limit its investment choices to certain credit ratings.

NOTE 3 – INVESTMENTS – PENSION TRUST FUNDS

Investments

As of December 31, 2022, the Borough had the following investments:

<u>Non-Uniformed Pension Fund</u>	<u>Fair Value</u>
Vanguard Mutual Funds	\$ 308,966
	<u>\$ 308,966</u>

NOTE 4 – FAIR VALUE MEASUREMENT

The Borough categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The Borough has the following recurring fair value measurements as of December 31, 2022:

- Federally Tax-Exempt Municipal Bonds of \$1,378,876 are valued using quoted market prices (Level 1 inputs)
- Taxable Municipal Bonds of \$18,678 are valued using quoted market prices (level 1 inputs)
- Government and Agency Securities of \$91,565 are valued using quoted market prices (Level 1 inputs)

NOTE 5 – PROPERTY TAXES AND TAXES RECEIVABLE

The Borough of East Petersburg did not report taxes receivable or deferred taxes under the modified cash basis of accounting. The amount of real estate taxes receivable at December 31, 2022 was \$22,663 all of which was estimated to be collectible by management.

Property taxes are levied as of January 1 on property values assessed by the county as of the same date. The Borough of East Petersburg's tax rate for the year ended on December 31, 2022 was 4.747 mills (\$4.747 per \$1,000 of assessed valuation) for general Borough purposes and .780 mills (\$.780 per \$1,000 of assessed valuation) for fire protection purposes. A 2% discount is given on taxes paid prior to May 1, the face amount is payable May 1 – June 30 and a 10% penalty is assessed on payment received after June 30. Unpaid taxes as of December 31st are submitted to the tax claim bureau for collection on January 15th of the year following assessment.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 6 – DUE TO/FROM OTHER FUNDS AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2022 were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ --	\$ 30,320
Capital Projects Fund	15,065	--
Municipal Trash Fund	515	--
Water Fund	<u>14,740</u>	<u>--</u>
	<u>\$ 30,320</u>	<u>\$ 30,320</u>

The interfund balances have arisen due to the transfer of cash amounts between the various funds, that will be repaid after year-end. Interfund transfers as of December 31, 2022 were as follows:

	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ 15,000	\$ 390,368
Capital Projects Fund	400,368	--
Municipal Trash Fund	--	15,000
Water Fund	<u>--</u>	<u>10,000</u>
	<u>\$ 415,368</u>	<u>\$ 415,368</u>

The interfund transfer from the Municipal Trash Fund to the General Fund in the amount of \$15,000 was to cover payroll expenditures. The General Fund transferred \$390,368 to the Capital Projects Fund for future capital expenditures. The Water Fund transferred \$10,000 to the Capital Projects Fund for future equipment purchases.

NOTE 7 – COMPENSATED ABSENCES

Borough employees are entitled to compensated absences consisting of accrued vacation and sick leave. As established by policy, the Borough pays all employees who terminate employment or retire for their accumulated sick leave based on \$50 per day. Accrued vacation of up to one week must be used in the first quarter of the next fiscal year. At December 31, 2022, the amount of accrued vacation and sick leave was \$6,744.

NOTE 8 – NONUNIFORM PENSION PLAN

The Borough administers a defined contribution pension plan – The Non-Uniformed Employee Pension Plan (NEPP). The NEPP is a single-employer defined contribution pension plan that covers all full-time, non-uniformed employees of the Borough. The plan is governed by the East Petersburg Borough Council, who is responsible for the management of plan assets. All full-time, non-uniformed employees join the Plan on January 1 or July 1 after completion of one year of service and attainment of age 21. At December 31, 2022, there were nine plan members. The Borough contributes an amount (determined annually) which is allocated to participants based on compensation. Members are not required to contribute to the plan. For the year ended December 31, 2022, the Borough contributed eight percent (8%) of salary amounts to the Plan. The employer contributions for the year ended December 31, 2022 were \$32,807.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 – FUND BALANCE

Restricted Fund Balance

The Borough's restricted fund balances are amounts restricted by outside parties. As of December 31, 2022, the Borough's restricted fund balance was \$2,791,838, which consisted of funds in the amount of \$376,326 restricted for use by the Commonwealth of Pennsylvania for Highway Aid purposes; \$1,630,074 restricted for Capital Purposes; \$472,921 received under the American Rescue Plan Act; and \$312,517 for fire protection services.

Assigned Fund Balance

As of December 31, 2022, the Borough's assigned fund balance of \$391,455 consisted of funds set aside for snow maintenance expenses in the amount of \$144,686 and funds set aside for public safety expenses in the amount of \$246,769.

NOTE 10 – RISK MANAGEMENT

The Borough is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Borough has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended December 31, 2022 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE 11 – SWIMMING POOL MAINTENANCE AGREEMENT

The Borough entered into a ten-year agreement (1/1/2019-12/31/2028) with the Hempfield Area Recreation Commission (HARC) to operate and manage the East Petersburg swimming pool. Under this agreement, HARC is appointed and hired as the managing agent of the swimming pool operations. The Borough retains ownership of the swimming pool facilities.

NOTE 12 – POLICE SERVICE CONTRACT

The Borough contracted with Northern Lancaster County Regional Police for police services. The borough made six equal installments totaling \$736,568 during the year ended December 31, 2022. The Borough's contract with Northern Lancaster County Regional Police is effective January 1, 2020 through December 31, 2023. Expected annual payments for police services are as follows:

2023	\$ 791,171
------	------------

NOTE 13 – LEASES

The Borough receives cellular lease income for the rental of space on the Borough's property. For the year ended December 31, 2022, the Borough received \$87,441 from commercial entities in equal monthly installments.

NOTE 14 – TAX ABATEMENTS

The Borough has not entered into tax abatement agreements with taxpayers. However, the Borough is involved in the Pennsylvania Department of Agriculture's Clean and Green Program. The Clean and Green Program is a preferential tax assessment program that bases property taxes on use values rather than fair market values. The Pennsylvania General Assembly enacted the program in 1974 as a tool to encourage protection of the Commonwealth's valuable farmland, forestland, and open spaces. For the year ended December 31, 2022, the Borough abated \$2,977 under this program.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 15 – COMMITMENTS

The Borough awarded a bid for the Lemon Street Water Main Replacement Project, Phase III to Doli Construction Corporation in the amount of \$266,825. Change orders brought the total contract to \$271,461. The Borough has paid \$232,978 on the contract through December 31, 2022, leaving a commitment outstanding of \$38,483.

NOTE 16 – EXPENDITURES IN EXCESS OF BUDGET

The Borough's Highway Aid Fund total expenditures exceeded budgeted amounts by \$11,169. The additional expenditures were appropriated from excess revenues received during the year and available fund balance.

NOTE 17 – SUBSEQUENT EVENTS

In March 2023, the Borough awarded a bid for the Lemon Street ADA ramp project to Affordable Paving and Excavating in the amount of \$102,605.

In April 2023, the Borough approved the new office renovation cost of \$338,800 and reimbursement to the East Petersburg Fire Company as per their lease agreement.

OTHER INFORMATION
OF
BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA
DECEMBER 31, 2022

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – MODIFIED CASH BASIS – GENERAL FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Real Estate Taxes and Penalties	\$ 1,474,500	\$ 1,474,500	\$ 1,491,852	\$ 17,352
Other Taxes	675,000	675,000	856,533	181,533
Licenses and Permits	65,050	65,050	75,518	10,468
Fines and Forfeits	10,000	10,000	6,109	(3,891)
Interest, Rents and Royalties	17,900	17,900	(42,891)	(60,791)
Intergovernmental Revenue	35,900	35,900	280,468	244,568
Charges for Services	44,850	44,850	75,517	30,667
Miscellaneous Revenue	<u>2,200</u>	<u>2,200</u>	<u>3,493</u>	<u>1,293</u>
TOTAL REVENUES	<u>2,325,400</u>	<u>2,325,400</u>	<u>2,746,599</u>	<u>421,199</u>
EXPENDITURES				
General Government	393,200	393,200	299,507	93,693
Public Safety	1,036,700	1,036,700	1,001,305	35,395
Sanitation	550	550	--	550
Highways and Streets	250,200	250,200	210,328	39,872
Culture and Recreation	193,400	193,400	127,549	65,851
Employee Benefits, Insurance and Other Miscellaneous Expenditures	<u>92,300</u>	<u>92,300</u>	<u>83,891</u>	<u>8,409</u>
TOTAL EXPENDITURES	<u>1,966,350</u>	<u>1,966,350</u>	<u>1,722,580</u>	<u>243,770</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>359,050</u>	<u>359,050</u>	<u>1,024,019</u>	<u>664,969</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	62,300	62,300	15,000	(47,300)
Transfers Out	<u>(355,000)</u>	<u>(355,000)</u>	<u>(390,368)</u>	<u>(35,368)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(292,700)</u>	<u>(292,700)</u>	<u>(375,368)</u>	<u>(82,668)</u>
Changes in Fund Balances	66,350	66,350	648,651	582,301
Fund Balances – January 1, 2022	<u>2,599,785</u>	<u>2,599,785</u>	<u>2,599,785</u>	<u>--</u>
Fund Balances – December 31, 2022	<u>\$ 2,666,135</u>	<u>\$ 2,666,135</u>	<u>\$ 3,248,436</u>	<u>\$ 582,301</u>

See accompanying independent auditor's report.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – MODIFIED CASH BASIS – HIGHWAY AID FUND
YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest, Rents and Royalties	\$ 100	\$ 100	\$ 391	\$ 291
Intergovernmental Revenue	<u>122,729</u>	<u>122,729</u>	<u>124,725</u>	<u>1,996</u>
TOTAL REVENUES	<u>122,829</u>	<u>122,829</u>	<u>125,116</u>	<u>2,287</u>
EXPENDITURES				
Highways and Streets	<u>70,500</u>	<u>70,500</u>	<u>81,669</u>	<u>(11,169)</u>
TOTAL EXPENDITURES	<u>70,500</u>	<u>70,500</u>	<u>81,669</u>	<u>(11,169)</u>
Changes in Fund Balances	52,329	52,329	43,447	(8,882)
Fund Balances – January 1, 2022	<u>332,879</u>	<u>332,879</u>	<u>332,879</u>	<u>--</u>
Fund Balances – December 31, 2022	<u>\$ 385,208</u>	<u>\$ 385,208</u>	<u>\$ 376,326</u>	<u>\$ (8,882)</u>

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION
OF
BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA
DECEMBER 31, 2022

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**COMBINING BALANCE SHEET – MODIFIED CASH BASIS
CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022**

	Capital Reserve Fund 30	Equipment Reserve Fund	Pool Reserve Fund	Park & Open Space Fund	Fire Reserve Fund	Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 898,507	\$ 72,419	\$ 40,901	\$ 104,600	\$ 50,100	\$ 1,166,527
Investments	385,938	34,398	--	28,146	--	448,482
Due from Other Funds	15,065	--	--	--	--	15,065
Total Current Assets	1,299,510	106,817	40,901	132,746	50,100	1,630,074
TOTAL ASSETS	\$ 1,299,510	\$ 106,817	\$ 40,901	\$ 132,746	\$ 50,100	\$ 1,630,074
LIABILITIES	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
FUND BALANCES						
Restricted	1,299,510	106,817	40,901	132,746	50,100	1,630,074
TOTAL FUND BALANCES	1,299,510	106,817	40,901	132,746	50,100	1,630,074
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,299,510	\$ 106,817	\$ 40,901	\$ 132,746	\$ 50,100	\$ 1,630,074

See accompanying independent auditor's report.

**BOROUGH OF EAST PETERSBURG
EAST PETERSBURG, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS – CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022**

	<u>Capital Reserve Fund 30</u>	<u>Equipment Reserve Fund</u>	<u>Pool Reserve Fund</u>	<u>Park & Open Space Fund</u>	<u>Fire Reserve Fund</u>	<u>Total</u>
REVENUES						
Interest, Rents and Royalties	\$ (24,076)	\$ (3,425)	\$ --	\$ (450)	\$ --	\$ (27,951)
Licenses and Permits	6,660	--	--	--	--	6,660
Intergovernmental Revenue	224,046	--	--	--	--	224,046
Charges for Service	--	--	--	58,800	--	58,800
Contributions	--	--	--	10,000	--	10,000
TOTAL REVENUES	<u>206,630</u>	<u>(3,425)</u>	<u>--</u>	<u>68,350</u>	<u>--</u>	<u>271,555</u>
EXPENDITURES						
General Government	1,010	--	--	--	--	1,010
Highways and Street	231,564	10,415	--	--	--	241,979
Culture and Recreation	--	7,617	--	11,080	--	18,697
TOTAL EXPENDITURES	<u>232,574</u>	<u>18,032</u>	<u>--</u>	<u>11,080</u>	<u>--</u>	<u>261,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(25,944)</u>	<u>(21,457)</u>	<u>--</u>	<u>57,270</u>	<u>--</u>	<u>9,869</u>
OTHER FINANCING SOURCES (USES)						
Transfer In	325,368	25,000	5,000	46,881	--	402,249
Transfer Out	(1,881)	--	--	--	--	(1,881)
Sale of Capital Assets	--	10,601	--	--	--	10,601
TOTAL OTHER FINANCING SOURCES (USES)	<u>323,487</u>	<u>35,601</u>	<u>5,000</u>	<u>46,881</u>	<u>--</u>	<u>410,969</u>
Changes in Fund Balances	297,543	14,144	5,000	104,151	--	420,838
Fund Balances – January 1, 2022	<u>1,001,967</u>	<u>92,673</u>	<u>35,901</u>	<u>28,595</u>	<u>50,100</u>	<u>1,209,236</u>
Fund Balances – December 31, 2022	<u>\$ 1,299,510</u>	<u>\$ 106,817</u>	<u>\$ 40,901</u>	<u>\$ 132,746</u>	<u>\$ 50,100</u>	<u>\$ 1,630,074</u>

See accompanying independent auditor's report.