

**BOROUGH OF EAST PETERSBURG
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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WHITE, RUDY LLC
CPAs and Consultants

436 Cloverleaf Road • P.O. Box 188 • Elizabethtown, PA 17022
INDEPENDENT AUDITORS' REPORT

To the Council members
Borough of East Petersburg, Commonwealth of Pennsylvania
East Petersburg, Pennsylvania

Opinions

We have audited the accompanying financial statements of Borough of East Petersburg, Commonwealth of Pennsylvania, which comprise the assets and other debits, liabilities and other credits, and fund and account group equity – regulatory basis as of December 31, 2023 and the statement of revenues and expenditures – regulatory basis for the year ended December 31, 2023, for the general fund, special revenue funds, capital projects funds, enterprise funds, and trust and agency fund, and the related statements of debt, capital expenditures, and employee compensation included in the Department of Community and Economic Development's (DCED) prescribed form using the modified cash basis of accounting.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the regulatory basis assets and other debits, liabilities and other credits, and fund and account group equity as of December 31, 2023, and the regulatory basis revenues and expenditures of the general fund, special revenue funds, capital projects funds, enterprise funds, and trust and agency fund, and the regulatory basis debt, capital expenditures and employee compensation of Borough of East Petersburg, Commonwealth of Pennsylvania, as of December 31, 2023 and its revenues and expenditures for the year then ended, on the modified cash basis of accounting described below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Borough of East Petersburg, Commonwealth of Pennsylvania, as of December 31, 2023, or the changes in financial position thereof for the year then ended.

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 Borough of East Petersburg, Commonwealth of Pennsylvania, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described below, the Borough prepared these financial statements included in DCED's prescribed form using the modified cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the significant variances between the modified cash basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when received rather than earned and expenditures are recognized when paid rather than incurred. Fixed assets, improvements and infrastructure assets are not capitalized or depreciated; capital acquisitions and construction are reflected as expenditures. Accounts payable, accrued expenses and long-term debt are not recognized as liabilities under the modified cash basis. When the proceeds of the debt are received, they are recorded as revenues and other financing sources. As the debt and expenses are paid, the principal payments are recorded as expenditures.

In addition, in accordance with the prescribed accounting practices permitted by the DCED, Borough of East Petersburg, Commonwealth of Pennsylvania, has not presented a statement of cash flows and has not included footnote disclosures, which are a part of the basic financial statements according to the Governmental Accounting Standards Board. Also, management of Borough of East Petersburg, Commonwealth of Pennsylvania, has not presented a management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of DCED's prescribed form using the modified cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' report that includes our opinion. 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 a 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 Borough of East Petersburg, Commonwealth of Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Borough of East Petersburg, Commonwealth of Pennsylvania's ability to continue as a going concern for a reasonable period of time.

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

White, Rudy LLC

White, Rudy LLC
Certified Public Accountants

June 20, 2024

BALANCE SHEET



DCED-CLGS-30 (09-09)

EAST PETERSBURG BORO, LANCASTER County

BALANCE SHEET

December 31, 2023

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	1,953,046	539,086	3,914,358		2,584,865		415,363			9,406,718
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds			15,000		6,905					21,905
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		1,953,046	539,086	3,929,358		2,591,770		415,363			9,428,623
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	7,853									7,853
200-209, 231-239	All Other Current Liabilities	8,106									8,106
230.00	Due To Other Funds	21,905									21,905

See Independent Auditors' Report

EAST PETERSBURG BORO, LANCASTER County
BALANCE SHEET
 December 31, 2023

		Governmental Funds				Proprietary Funds		Fld. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		37,864									37,864
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,915,182	539,086	3,929,358		2,591,770		415,363			9,390,759
291-299	Other Equity										
Total Fund and Account Group Equity		1,915,182	539,086	3,929,358		2,591,770		415,363			9,390,759
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											9,428,623

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes								
301.00	Real Estate Taxes	1,475,459	242,388					1,717,847
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	100,765						100,765
310.20	Earned Income Taxes / Wage Taxes	722,465						722,465
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	69,572						69,572
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,368,261	242,388					2,610,649

Licenses and Permits								
320-322	All Other Licenses and Permits	300						300
321.80	Cable Television Franchise Fees	78,602						78,602
Total Licenses and Permits		78,902						78,902

Fines and Forfeits								
330-332	Fines and Forfeits	8,109						8,109
Total Fines and Forfeits		8,109						8,109

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	33,203	5,295	34,130		54,845	55,201	182,674
342.00	Rents and Royalties	9,740				89,855		99,595
Total Interest, Rents and Royalties		42,943	5,295	34,130		144,700	55,201	282,269

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101					5,784		5,784
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,101						2,101
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		128,550					128,550
355.04	Alcoholic Beverage Licenses	400						400
355.05	General Municipal Pension System State Aid	15,321				15,055		30,376
355.07	Foreign Fire Insurance Tax Distribution	27,354						27,354
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
358.00	State Payments in Lieu of Taxes							
Total State		45,176	128,550		20,839			194,565

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services		4,446					4,446
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units			4,446					4,446

Charges for Service								
361.00	General Government	3,795						3,795
362.00	Public Safety	133,438						133,438
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	27,880						27,880
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)				520,787			520,787
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service									
369.00	Bars								
370.00	Cemeteries								
372.00	Electric System								
373.00	Gas System								
374.00	Housing System								
375.00	Markets								
377.00	Transit Systems								
378.00	Water System					912,301			912,301
379.00	All Other Charges for Service								
Total Charges for Service		165,113				1,433,088			1,598,201

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors			5,470					5,470
388.00	Fiduciary Fund Pension Contributions						51,965		51,965
389.00	All Other Unclassified Operating Revenues	4,511							4,511
Total Unclassified Operating Revenues		4,511		5,470			51,965		61,946

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition			739,937					739,937
392.00	Interfund Operating Transfers	15,000	110,100	2,146,027		100,000			2,371,127
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt								

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures						
	Total Other Financing Sources	15,000	110,100	2,885,964	100,000		3,111,064

TOTAL REVENUES

		2,728,015	486,333	2,930,010	1,698,627	107,166	7,950,151
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body						
401.00	Executive (Manager or Mayor)	48,978					48,978
402.00	Auditing Services / Financial Administration	6,790				768	7,558
403.00	Tax Collection						
404.00	Solicitor / Legal Services	15,410					15,410
405.00	Secretary / Clerk	86,278					86,278
406.00	Other General Government Administration						
407.00	IT-Networking Services-Data Processing						
408.00	Engineering Services						
409.00	General Government Buildings and Plant	252,173	96,123		10,306		358,602
	Total General Government	409,629	96,123		10,306	768	516,826

Public Safety							
410.00	Police	811,845					811,845
411.00	Fire	27,424	590,516				617,940
412.00	Ambulance / Rescue	21,336					21,336
413.00	UCC and Code Enforcement						

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety							
414.00	Planning and Zoning	121,618					121,618
415.00	Emergency Management and Communications						
416.00	Militia and Armories						
417.00	Examination of Licensed Occupations						
418.00	Public Scales (weights and measures)						
419.00	Other Public Safety						
Total Public Safety		982,223	590,516				1,572,739

Health and Human Services							
420.00-425.00	Health and Human Services						
Total Health and Human Services							

Public Works - Sanitation							
426.00	Recycling Collection and Disposal				601,383		601,383
427.00	Solid Waste Collection and Disposal (garbage)						
428.00	Weed Control						
429.00	Wastewater / Sewage Treatment and Collection						
Total Public Works - Sanitation					601,383		601,383

Public Works - Highways and Streets							
430.00	General Services - Administration	121,980		60,991			182,971
431.00	Cleaning of Streets and Gutters						
432.00	Winter Maintenance - Snow Removal						
433.00	Traffic Control Devices	13,500					13,500
434.00	Street Lighting	78,488					78,488

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains	97,819					97,819
437.00	Repairs of Tools and Machinery		22,133				22,133
438.00	Maintenance and Repairs of Roads and Bridges	45,514	286,688				332,202
439.00	Highway Construction and Rebuilding Projects						
Total Public Works - Highways and Streets		311,787	45,514	369,812			727,113

Other Public Works Enterprises							
440.00	Airports						
441.00	Cemeteries						
442.00	Electric System						
443.00	Gas System						
444.00	Markets						
445.00	Parking						
446.00	Storm Water and Flood Control						
447.00	Transit System						
448.00	Water System		14,691	788,324			803,015
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises			14,691	788,324			803,015

Culture and Recreation							
451.00	Culture-Recreation Administration	412					412
452.00	Participant Recreation	9,695					9,695
453.00	Spectator Recreation						
454.00	Parks	96,969					96,969

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation							
455.00	Shade Trees						
456.00	Libraries	3,300					3,300
457.00	Civil and Military Celebrations						
458.00	Senior Citizens' Centers						
459.00	All Other Culture and Recreation						
Total Culture and Recreation		110,376					110,376

Community Development							
461.00	Conservation of Natural Resources						
462.00	Community Development and Housing						
463.00	Economic Development						
464.00	Economic Opportunity						
465-469	All Other Community Development						
Total Community Development							

Debt Service							
471.00	Debt Principal (short-term and long-term)						
472.00	Debt Interest (short-term and long-term)						
475.00	Fiscal Agent Fees						
Total Debt Service							

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation						
		21,724					21,724
482.00	Judgments and Losses						
483.00	Pension / Retirement Fund Contributions						

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items							
484.00	Worker Compensation Insurance	8,499					8,499
487.00	Other Group Insurance Benefits	44,331					44,331
Total Employer Paid Benefits and Withholding Items		74,554					74,554

Insurance							
486.00	Insurance, Casualty, and Surety	56,609					56,609
Total Insurance		56,609					56,609

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures						
Total Unclassified Operating Expenditures							

Other Financing Uses							
491.00	Refund of Prior Year Revenues						
492.00	Interfund Operating Transfers	2,146,011	60	150,100	74,956		2,371,127
493.00	All Other Financing Uses						
Total Other Financing Uses		2,146,011	60	150,100	74,956		2,371,127

TOTAL EXPENDITURES	4,091,189	636,090	630,726		1,474,969	768	6,833,742
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-1,363,174	-149,757	2,299,284		223,658	106,398	1,116,409
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EAST PETERSBURG BORO

December 31, 2023

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	0
Capitalized lease obligations	0
Net debt	0

EAST PETERSBURG BORO, LANCASTER County
STATEMENT OF CAPITAL EXPENDITURES
December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	39,948	249,008	288,956
Water	32,934		32,934
Other: _____			
TOTAL CAPITAL EXPENDITURES	72,882	249,008	321,890

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

577,525