

MINGIS, GUTOWSKI & COMPANY, LLP

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INDEPENDENT AUDITORS' REPORT

Members of Council
Borough of Eddystone
Eddystone, PA 19022

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of the Borough of Eddystone (the Borough) as of December 31, 2020 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development and with the basis of accounting described below; this includes determining that the presentation and the use of the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the Borough of Eddystone as of December 31, 2020 and the revenue it received and expenditures it paid for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

The Borough's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. As permitted by DCED, the Borough of Eddystone prepares its annual audit and financial report on the modified cash basis of accounting; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by DCED, the Borough of Eddystone does not include footnote disclosures. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of management and the Members of Borough Council of the Borough of Eddystone and for filing with the Department of Community and Economic Development and the Office of the Prothonotary and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
April 5, 2021

**2020 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

230483 EDDYSTONE BORO, DELAWARE COUNTY

EDDYSTONE BORO, DELAWARE County

BALANCE SHEET

December 31, 2020

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities	14,434								2,075,224	2,089,658
240-259	Current Portion of Long-Term Debt and Other Credits									170,000	170,000
Total Liabilities and Other Credits		273,400								2,245,224	2,518,624
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	-31,570	87,100			113,809					169,339
291-299	Other Equity										
Total Fund and Account Group Equity		-31,570	87,100			113,809					169,339
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											2,687,963

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	1,988,979						1,988,979
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	27,487						27,487
310.20	Earned Income Taxes / Wage Taxes	1,304,960						1,304,960
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	138,310						138,310
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		3,459,736						3,459,736

Licenses and Permits

320-322	All Other Licenses and Permits	51,196						51,196
321.80	Cable Television Franchise Fees	35,358						35,358
Total Licenses and Permits		86,554						86,554

Fines and Forfeits

330-332	Fines and Forfeits	29,797						29,797
Total Fines and Forfeits		29,797						29,797

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	248	66			128		442
342.00	Rents and Royalties	6,603						6,603
Total Interest, Rents and Royalties		6,851	66			128		7,045

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							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,611						2,611
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		62,462					62,462
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	88,629						88,629
355.07	Foreign Fire Insurance Tax Distribution	19,960						19,960
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
356.00	State Payments in Lieu of Taxes							
Total State		111,200	62,462					173,662

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							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units								

Charges for Service								
361.00	General Government	810						810
362.00	Public Safety	158,658						158,658
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				455,518			455,518
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility	2,210						2,210
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
379.00	All Other Charges for Service							
Total Charges for Service		161,678			455,518			617,196

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	33,379						33,379
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		33,379						33,379

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	16	37,605	236,973	18,235		390,441	683,270
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt			350,000				350,000

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	138						138
Total Other Financing Sources		154	37,605	586,973	18,235		390,441	1,033,408

TOTAL REVENUES

3,889,349	62,528	37,605	586,973	473,881		390,441	5,440,777
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	12,955						12,955
401.00	Executive (Manager or Mayor)	62,212						62,212
402.00	Auditing Services / Financial Administration	70,639						70,639
403.00	Tax Collection	13,439						13,439
404.00	Solicitor / Legal Services	80,338						80,338
405.00	Secretary / Clerk	106,062						106,062
406.00	Other General Government Administration	61,369						61,369
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services		330					330
409.00	General Government Buildings and Plant	51,369		21,003				72,372
Total General Government		458,383	330	21,003				479,716

Public Safety

410.00	Police	1,360,938		10,868				1,371,806
411.00	Fire	179,546						179,546
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	5,557						5,557

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
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		1,546,041		10,868				1,556,909

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							
427.00	Solid Waste Collection and Disposal (garbage)	186,979						186,979
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				416,869			416,869
Total Public Works - Sanitation		186,979			416,869			603,848

Public Works - Highways and Streets

430.00	General Services - Administration	171,555				765		172,320
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal							
433.00	Traffic Control Devices		7,836	5,733				13,569
434.00	Street Lighting		28,750					28,750

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges		7,199			6,525		13,724
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		171,555	43,785	5,733		7,290		228,363

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							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration	18,378						18,378
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		18,378						18,378

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)	6,052			520,000			526,052
472.00	Debt Interest (short-term and long-term)	1,164			66,973			68,137
475.00	Fiscal Agent Fees							
Total Debt Service		7,216			586,973			594,189

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	72,601						72,601
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

EDDYSTONE BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		72,601						72,601

Insurance								
486.00	Insurance, Casualty, and Surety	923,425						923,425
Total Insurance		923,425						923,425

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	683,254	2	1	13			683,270
493.00	All Other Financing Uses	60,560						60,560
Total Other Financing Uses		743,814	2	1	13			743,830

TOTAL EXPENDITURES	4,128,392	44,117	37,605	586,986	424,159			5,221,259
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-239,043	18,411		-13	49,722		390,441	219,518
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EDDYSTONE BORO

December 31, 2020

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											
Firehouse Construction Note 2011 Series	Bond	2011	2025	3,000,000	2,081,000		147,000		1,934,000		1,934,000
Firehouse Construction Note 2013 Series	Bond	2013	2031	450,000	321,000		23,000		298,000		298,000
Revenue Bonds and Notes											
Tax Anticipation Note	Note	2020	2020	350,000	0	350,000	350,000		0		0
Lease Rental Debt											
Police Dodge Charger Lease	Capital Leases	2019	2022	26,493	19,276		6,052		13,224		13,224
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 2,232,000

Capitalized lease obligations 13,224

Net debt 2,245,224

EDDYSTONE BORO, DELAWARE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	21,003		21,003
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	10,868		10,868
Recreation			
Sewer			
Solid Waste			
Streets / Highways	5,733		5,733
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	37,604		37,604

EMPLOYEE COMPENSATION

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

1,584,376

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: JOHN R HANNA III Appointed Auditor/CPA

December 31, 2020

NOTES / COMMENTS

The balance sheet includes the following amounts in escrow funds: \$187,220 in the General Fund reported as "Other Current Assets" and "All Other Current Liabilities".

Pension information has been omitted from the Fiduciary Fund because the independent audit firm was not engaged to audit the Pension Fund.