

**2020 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

230843 MORTON BORO, DELAWARE COUNTY

MORTON 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										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		204,123									204,123
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	110,549	63,670			296,063		3,663,223			4,133,505
291-299	Other Equity										
Total Fund and Account Group Equity		110,549	63,670			296,063		3,663,223			4,133,505
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											4,337,628

MORTON 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						
342.00	Rents and Royalties	59,780					59,780
Total Interest, Rents and Royalties		59,780					59,780

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)	1,530					1,530
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		74,406				74,406
355.04	Alcoholic Beverage Licenses						
355.05	General Municipal Pension System State Aid	59,086					59,086
355.07	Foreign Fire Insurance Tax Distribution	14,668					14,668
355.08	Local Share Assessment/Gaming Proceeds						
355.09	Marcellus Shale Impact Fee Distribution						

MORTON 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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	9,135						9,135
Total State		84,419	74,406					158,825

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	20,573						20,573
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		20,573						20,573

Charges for Service								
361.00	General Government	1,721						1,721
362.00	Public Safety	71,365						71,365
363.20	Parking	9,749						9,749
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				641,971			641,971
364.30	Solid Waste Collection and Disposal Charge (trash)	242,405						242,405
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							

MORTON 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		325,240				641,971		967,211

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	1,985						1,985
388.00	Fiduciary Fund Pension Contributions						629,797	629,797
389.00	All Other Unclassified Operating Revenues	525						525
Total Unclassified Operating Revenues		2,510					629,797	632,307

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		16,192					16,192
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt	175,000						175,000

MORTON 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	23,184						23,184
Total Other Financing Sources		198,184	16,192					214,376
TOTAL REVENUES		2,406,319	90,598			641,971	629,797	3,768,685

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	17,829						17,829
401.00	Executive (Manager or Mayor)	3,000						3,000
402.00	Auditing Services / Financial Administration	7,650			7,650			15,300
403.00	Tax Collection	6,966						6,966
404.00	Solicitor / Legal Services	57,713						57,713
405.00	Secretary / Clerk	102,415						102,415
406.00	Other General Government Administration	131,739			15,421		19,085	166,245
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	105,030			2,841			107,871
409.00	General Government Buildings and Plant	86,631						86,631
Total General Government		518,973			25,912		19,085	563,970

Public Safety

410.00	Police	1,009,807						1,009,807
411.00	Fire	81,565						81,565
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	150						150

MORTON 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	2,375						2,375
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		1,093,897						1,093,897

Health and Human Services								
420.00-425.00	Health and Human Services	575						575
Total Health and Human Services		575						575

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	177,206						177,206
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				715,864			715,864
Total Public Works - Sanitation		177,206			715,864			893,070

Public Works - Highways and Streets								
430.00	General Services - Administration	9,460						9,460
431.00	Cleaning of Streets and Gutters		17,915					17,915
432.00	Winter Maintenance – Snow Removal							
433.00	Traffic Control Devices							
434.00	Street Lighting		18,883					18,883

MORTON 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	10,907	68,171				79,078
439.00	Highway Construction and Rebuilding Projects						
Total Public Works - Highways and Streets		20,367	104,969				125,336

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						
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	12,242					12,242

MORTON 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		12,242						12,242

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development	7,341						7,341
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		7,341						7,341

Debt Service								
471.00	Debt Principal (short-term and long-term)	253,243			31,830			285,073
472.00	Debt Interest (short-term and long-term)	10,048			7,597			17,645
475.00	Fiscal Agent Fees							
Total Debt Service		263,291			39,427			302,718

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	118,965						118,965

MORTON 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	17,119						17,119
Total Employer Paid Benefits and Withholding Items		136,084						136,084

Insurance

486.00	Insurance, Casualty, and Surety	112,838						112,838
Total Insurance		112,838						112,838

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						193,619	193,619
489.00	All Other Unclassified Expenditures	4						4
Total Unclassified Operating Expenditures		4					193,619	193,623

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	16,192						16,192
493.00	All Other Financing Uses							
Total Other Financing Uses		16,192						16,192

TOTAL EXPENDITURES

	2,359,010	104,969			781,203		212,704	3,457,886
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

	47,309	-14,371			-139,232		417,093	310,799
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MORTON 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											
DVRFA	Note	2007	2010	250,000	125,000		13,000		112,000		112,000
PA Dept of Transportation	Note	2013	2023	478,250	200,596		48,943		151,653		151,653
Univest Bank & Trust	Note	2017	2027	88,460	68,970		8,829		60,141		60,141
Republic Bank - tax anticipation loan	Note	2020	2020	175,000	0	175,000	175,000		0		0
Revenue Bonds and Notes											
Lease Rental Debt											
Copier 2016	Note	2016	2021	13,328	4,596		2,677		1,919		1,919
Other											
Pennvest Authority	Note	2003	2023	313,182	68,849		18,830		50,019		50,019
Univest Bank - Police Car	Note	2017	2020	33,153	8,470		8,470		0		0
Univest Bank - Police Car	Note	2019	2022	40,475	29,533		9,324		20,209		20,209

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	395,941
Capitalized lease obligations	0
Net debt	395,941

MORTON BORO, DELAWARE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development	11,707	10,258	21,965
Electric			
Fire			
Gas System			
General Government	4,806		4,806
Health			
Housing			
Libraries			
Mass Transit			
Parks		8,350	8,350
Police	30,878	14,935	45,813
Recreation			
Sewer			
Solid Waste			
Streets / Highways		74,213	74,213
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	47,391	107,756	155,147

EMPLOYEE COMPENSATION

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

910,108

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Ronald R Woodworth Appointed Auditor/CPA

December 31, 2020

NOTES / COMMENTS

Ronald R. Woodworth, CPA, PC
Certified Public Accountants

Members: AICPA & PICPA

Tel: 610-353-0883

3501 West Chester Pike, Ste. 200
Newtown Square, PA 19073

Fax: 610-353-6146

Independent Auditor's Report

Council of Morton
500 Highland Avenue
Morton PA 19070

President Judge of the Court of Common Pleas
Secretary of Community & Economic Development

We have audited the accompanying Municipal Annual Financial Report, Form DCED-CLGS-30, for the Borough of Morton, as of and for the year ended December 31, 2020.

Management's Responsibility for the Financial Statements

Morton Borough's management is responsible for the preparation and fair presentation of this report in accordance with the accounting and reporting requirements of DCED, this includes design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of 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 assessment, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation 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 in the DCED report.

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 basic financial statements presented in the DCED Report referred to above present fairly, in all material respects, the financial position of the Borough of Morton as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in conformity with the modified-cash basis of accounting as described below.

Email: rrwcpa@verizon.net

Ronald R. Woodworth, CPA, PC
Certified Public Accountants

Members: AICPA & PICPA

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Basis of Accounting

The Borough's policy is to prepare the Municipal Annual Financial Report, Form DCED-CLGS-30, on the modified-cash basis as permitted by the Department of Community and Economic Development of Pennsylvania. These financial statements constitute special purpose financial statements prepared in accordance with a regulatory special purpose framework. This is a prescribed basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These financial statements do not include all of the disclosures required by accounting principles generally accepted in the United States of America. 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, the Borough Council, others within Morton Borough, and the Department of Community and Economic Development of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

Ronald Woodworth, CPA

Newtown Square, Pennsylvania
March 25, 2021