

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

230993 PROSPECT PARK BORO, DELAWARE COUNTY



CYNTHIA FELZER LEITZELL, CPA
STELLA C. ECONOMIDIS, CPA

LEITZELL & ECONOMIDIS, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of Council
Borough of Prospect Park
Prospect Park, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the Annual Audit and Financial Report, Form DCED-CLGS-30 of BOROUGH OF PROSPECT PARK as of and for the year ended December 31, 2022.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion the accompanying financial report referred to above presents fairly, in all material respects, the cash balances of BOROUGH OF PROSPECT PARK as of December 31, 2022 and the revenues it received and expenditures it paid for the year then ended in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania Department of Community and Economic Development.

Adverse Opinions 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 paragraph, the financial report referred to in the first paragraph does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of BOROUGH OF PROSPECT PARK as of December 31, 2022, or the changes in its financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

The financial report was prepared in conformity with the accounting practices prescribed or permitted by the Department of Community and Economic Development (DCED). BOROUGH OF PROSPECT PARK prepares its financial report on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial report of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial report in accordance with the financial reporting provisions of Commonwealth of Pennsylvania Department of Community and Economic Development (DCEd). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial reports that are free from material misstatement, whether due to fraud or error.

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 and *Government Auditing Standards* 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 in the financial statements
- obtain an understanding of the 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 the 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, 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.

Other Matters

The Borough maintains its books and records on the cash basis of accounting, and cash receipts and cash disbursements are reported as such within these statements. Tax collections as reported herein represents that which was deposited by the tax collector to the Borough and does not necessarily represent all collections received by the Tax Collector for and within this period. The Tax Collector's activities were not audited nor made a part of these financial statements and we do not provide an opinion on the Tax Collector procedures or collection within the parameters of this report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Prospect Park's internal control over financial reporting and compliance.

Leitzell & Economidis, PC

LEITZELL & ECONOMIDIS, PC
Certified Public Accountants

February 24, 2023
Media, Pennsylvania



BALANCE SHEET

DCED-CLGS-30 (09-09)

PROSPECT PARK BORO, DELAWARE County
BALANCE SHEET
 December 31, 2022

		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	1,336,261	287,771			94,857		4,506,369			6,225,258
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)							4,750			4,750
130.00	Due From Other Funds	3,168	133,667								136,835
131-139, 150-159	Other Current Assets							34,586			34,586
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		1,339,429	421,438			94,857		4,545,705			6,401,429

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	1,734									1,734
200-209, 231-239	All Other Current Liabilities										
230.00	Due To Other Funds	49,958	3,169			83,708					136,835

PROSPECT PARK BORO, DELAWARE County

BALANCE SHEET

December 31, 2022

		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											57,998
260-269	Long-Term-Liabilities	57,998									
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		109,690	3,169			83,708					196,567

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	1,229,739	418,269			11,149		4,545,705			6,204,862
291-299	Other Equity										
Total Fund and Account Group Equity		1,229,739	418,269			11,149		4,545,705			6,204,862

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											6,401,429
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PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	2,124,747						2,124,747
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)							32,217
310.00	Per Capita Taxes	32,217						159,688
310.10	Real Estate Transfer Taxes	159,688						1,616,231
310.20	Earned Income Taxes / Wage Taxes	1,616,231						
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							65,080
310.50	Local Services Tax **	65,080						
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							3,997,963
Total Taxes		3,997,963						

Licenses and Permits								
320-322	All Other Licenses and Permits	239,283						239,283
321.80	Cable Television Franchise Fees	105,676						105,676
Total Licenses and Permits		344,959						344,959

Fines and Forfeits								
330-332	Fines and Forfeits	29,650						29,650
Total Fines and Forfeits		29,650						29,650

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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							328,900
Total State		173,298	155,602					

Local Government Units								
357.03	Highways and Streets	2,901						2,901
357.00	All Other Local Governmental Units Capital and Operating Grants							29,162
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	29,162						
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							32,063
Total Local Government Units		32,063						

Charges for Service								
361.00	General Government							4,690
362.00	Public Safety	4,690						
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.)				1,170,602			1,170,602
364.30	Solid Waste Collection and Disposal Charge (trash)	490,934						490,934
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							300
367.00	Culture and Recreation	300						
368.00	Airports							

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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		495,924				1,170,602		1,666,526

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions						392,006	392,006
389.00	All Other Unclassified Operating Revenues	4,758						4,758
Total Unclassified Operating Revenues		4,758					392,006	396,764

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	11,250						11,250
392.00	Interfund Operating Transfers		811					811
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt	600,000						600,000

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	181,246						181,246
Total Other Financing Sources		792,496	811					793,307
TOTAL REVENUES		6,219,852	157,648			1,172,211		8,044,542

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	12,600						12,600
401.00	Executive (Manager or Mayor)	1,800						1,800
402.00	Auditing Services / Financial Administration	12,200						12,200
403.00	Tax Collection	8,885						8,885
404.00	Solicitor / Legal Services	60,352						60,352
405.00	Secretary / Clerk	99,215						99,215
406.00	Other General Government Administration	106,712				1,685		108,397
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	22,429	13,365					35,794
409.00	General Government Buildings and Plant	119,309						119,309
Total General Government		443,502	13,365			1,685		458,552

Public Safety								
410.00	Police	1,979,090						1,979,090
411.00	Fire	181,306						181,306
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	7,500						7,500

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	132,632					132,632
415.00	Emergency Management and Communications						
416.00	Militia and Armories						
417.00	Examination of Licensed Occupations						
418.00	Public Scales (weights and measures)						4,735
419.00	Other Public Safety	4,735					
Total Public Safety		2,305,263					2,305,263

Health and Human Services							
420.00- 425.00	Health and Human Services	5,030					5,030
Total Health and Human Services		5,030					5,030

Public Works - Sanitation							
426.00	Recycling Collection and Disposal		24,588				24,588
427.00	Solid Waste Collection and Disposal (garbage)	400,912					400,912
428.00	Weed Control						
429.00	Wastewater / Sewage Treatment and Collection				1,345,375		1,345,375
Total Public Works - Sanitation		400,912	24,588		1,345,375		1,770,875

Public Works - Highways and Streets							
430.00	General Services - Administration	287,355					287,355
431.00	Cleaning of Streets and Gutters						
432.00	Winter Maintenance -- Snow Removal		3,234				3,234
433.00	Traffic Control Devices		3,651				3,651
434.00	Street Lighting	75,811					75,811

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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							8,272
436.00	Storm Sewers and Drains	8,272						3,785
437.00	Repairs of Tools and Machinery		3,785					
438.00	Maintenance and Repairs of Roads and Bridges							140,721
439.00	Highway Construction and Rebuilding Projects	15,448	125,273					522,829
Total Public Works - Highways and Streets		386,886	135,943					

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	65,974						65,974

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	39,721					39,721
457.00	Civil and Military Celebrations						
458.00	Senior Citizens' Centers						10,800
459.00	All Other Culture and Recreation	10,800					10,800
Total Culture and Recreation		116,495					116,495

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)	1,834,497					1,834,497
472.00	Debt Interest (short-term and long-term)	87,976					87,976
475.00	Fiscal Agent Fees						1,922,473
Total Debt Service		1,922,473					1,922,473

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	56,910					56,910
482.00	Judgments and Losses					914,500	914,500
483.00	Pension / Retirement Fund Contributions	355,126					355,126

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	20,673					20,673
487.00	Other Group Insurance Benefits	180,487					180,487
Total Employer Paid Benefits and Withholding Items		613,196				914,500	1,527,696

Insurance							
486.00	Insurance, Casualty, and Surety	113,686					113,686
Total Insurance		113,686					113,686

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid					403,880	403,880
489.00	All Other Unclassified Expenditures	2,175				21,966	24,141
Total Unclassified Operating Expenditures		2,175				425,846	428,021

Other Financing Uses							
491.00	Refund of Prior Year Revenues						811
492.00	Interfund Operating Transfers	811					
493.00	All Other Financing Uses						811
Total Other Financing Uses		811					811

TOTAL EXPENDITURES	6,310,429	173,896			1,347,060	1,340,346	9,171,731
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-90,577	-16,248			-174,849	-845,515	-1,127,189
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PROSPECT PARK BORO

December 31, 2022

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											
Gen Obligation Note DeVAI	Note	2014	2034	1,500,000	1,075,000		68,000		1,007,000		1,007,000
Gen Obligation Note 2020	Note	2020	2040	300,000	288,000		13,000		275,000		275,000
Pennvest	Note	2021	2043	728,248	728,248		38,824		689,424		689,424
Revenue Bonds and Notes											
Tax Anticipation Note	Note	2019	2020	500,000	500,000		500,000		0		0
Tax Anticipation Note	Note	2021	2021	600,000	600,000		600,000		0		0
Tax Anticipation note	Note	2022	2022	600,000	0	600,000	600,000		0		0
Lease Rental Debt											
2019 Dodge Charger	Capital Leases	2019	2022	26,383	6,778		6,778		0		0
2020 Dodge Durango	Capital Leases	2020	2023	32,426	16,193		7,895		8,298		8,298
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	1,971,424
Capitalized lease obligations	8,298
Net debt	1,979,722

PROSPECT PARK BORO, DELAWARE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	82,970		82,970
Gas System			
General Government		33,010	33,010
Health			
Housing			
Libraries			
Mass Transit			
Parks		28,892	28,892
Police	17,664	2,693	20,357
Recreation			
Sewer			
Solid Waste			
Streets / Highways	206,836	797,297	1,004,133
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	307,470	861,892	1,169,362

EMPLOYEE COMPENSATION

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

1,860,693

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

SIGNATURE AND VERIFICATION

Signed: Cynthia Leitzell Appointed Auditor/CPA

December 31, 2022

NOTES / COMMENTS