

BOROUGH OF EAGLES MERE, PENNSYLVANIA
ANNUAL AUDIT AND FINANCIAL REPORT
2022



INDEPENDENT AUDITORS' REPORT

Honorable Members of Borough Council,
Borough of Eagles Mere, Pennsylvania:

Report on the Audit of the Financial Statements

Adverse and Qualified Opinions

We have audited the accompanying modified cash basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation - regulatory basis, as of and for the year ended December 31, 2022, included in the 2022 Municipal Annual Audit and Financial Report (Schedules) of Borough of Eagles Mere, Pennsylvania (Borough).

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Adverse and Qualified Opinions" section of our report, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2022, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by Pennsylvania Department of Community and Economic Development (DCED).

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 and Qualified Opinions" section of our report, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2022, and the results of its operations for the year then ended.

Basis for Adverse and Qualified 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 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 adverse and qualified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Borough on the basis of the instructions provided by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management's Discussion and Analysis, without budgetary comparisons, and without historical pension and post-employment benefit liability information, and require all funds to be aggregated by fund type on the Schedules.

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

Matter Giving Rise to Qualified Opinion on the Regulatory Basis of Accounting

The Schedules do not include the General Fixed Asset Account Group, which is required under the instructions provided by DCED. The amount by which this departure would affect the Schedules has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the DCED to meet filing requirements in Pennsylvania. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules 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 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 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, 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, 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.

Restriction on Use

This report is intended solely for the information and use of Borough Council and management of the Borough of Eagles Mere and for filing with the Commonwealth of Pennsylvania, Department of Community and Economic Development and the Sullivan County Clerk of Courts, and is not intended to be and should not be used by anyone other than these specified parties.

Larson, Kellitt & Associates, P.C.

Montoursville, Pennsylvania
February 19, 2024

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

570153 EAGLES MERE BORO, SULLIVAN COUNTY

EAGLES MERE BORO, SULLIVAN 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											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		82,088	1,113								83,201
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	762,204	232,569								994,773
291-299	Other Equity										
Total Fund and Account Group Equity		762,204	232,569								994,773
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,077,974

EAGLES MERE BORO, SULLIVAN 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	244,554	23,517					268,071
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	28,352						28,352
310.20	Earned Income Taxes / Wage Taxes	19,885						19,885
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **							
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		292,791	23,517					316,308

Licenses and Permits

320-322	All Other Licenses and Permits	225						225
321.80	Cable Television Franchise Fees	5,566						5,566
Total Licenses and Permits		5,791						5,791

Fines and Forfeits

330-332	Fines and Forfeits	273						273
Total Fines and Forfeits		273						273

EAGLES MERE BORO, SULLIVAN 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

Interest, Rents and Royalties								
341.00	Interest Earnings	7,875	1,792					9,667
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		7,875	1,792					9,667

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	5,933						5,933
353.00	Federal Payments in Lieu of Taxes							
Total Federal		5,933						5,933

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)	305						305
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback							
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	7,457						7,457
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	9,406						9,406

EAGLES MERE BORO, SULLIVAN 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							
Total State		17,168						17,168

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	206,026						206,026
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		206,026						206,026

Charges for Service								
361.00	General Government	5,648						5,648
362.00	Public Safety							
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.)	1,060						1,060
364.30	Solid Waste Collection and Disposal Charge (trash)	74,330						74,330
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		25,229					25,229
368.00	Airports							

EAGLES MERE BORO, SULLIVAN 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

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		81,038	25,229					106,267

Unclassified Operating Revenues

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	2,518	61,245					63,763
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		2,518	61,245					63,763

Other Financing Sources

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	27,200						27,200
392.00	Interfund Operating Transfers	2,743						2,743
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

EAGLES MERE BORO, SULLIVAN 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							
Total Other Financing Sources		29,943						29,943

TOTAL REVENUES

649,356	111,783						761,139
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body							
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration							
403.00	Tax Collection	5,920						5,920
404.00	Solicitor / Legal Services	8,866						8,866
405.00	Secretary / Clerk	27,799						27,799
406.00	Other General Government Administration	14,828						14,828
407.00	IT-Networking Services-Data Processing	2,024						2,024
408.00	Engineering Services	14,725						14,725
409.00	General Government Buildings and Plant	5,842						5,842
Total General Government		80,004						80,004

Public Safety

410.00	Police							
411.00	Fire	7,457	20,775					28,232
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	1,195						1,195

EAGLES MERE BORO, SULLIVAN 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	9,498						9,498
415.00	Emergency Management and Communications	300						300
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		18,450	20,775					39,225

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)	17,792						17,792
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	132,867						132,867
Total Public Works - Sanitation		150,659						150,659

Public Works - Highways and Streets

430.00	General Services - Administration	152,023						152,023
431.00	Cleaning of Streets and Gutters	1,800						1,800
432.00	Winter Maintenance – Snow Removal	3,324						3,324
433.00	Traffic Control Devices							
434.00	Street Lighting	10,502						10,502

EAGLES MERE BORO, SULLIVAN 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							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery	6,124						6,124
438.00	Maintenance and Repairs of Roads and Bridges	2,561						2,561
439.00	Highway Construction and Rebuilding Projects	100,232						100,232
Total Public Works - Highways and Streets		276,566						276,566

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	13,627	51,006					64,633
454.00	Parks							

EAGLES MERE BORO, SULLIVAN 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							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		13,627	51,006					64,633

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	22,469						22,469
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

EAGLES MERE BORO, SULLIVAN 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	5,413						5,413
487.00	Other Group Insurance Benefits	57,501						57,501
Total Employer Paid Benefits and Withholding Items		85,383						85,383

Insurance								
486.00	Insurance, Casualty, and Surety	23,935						23,935
Total Insurance		23,935						23,935

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		2,743					2,743
493.00	All Other Financing Uses							
Total Other Financing Uses			2,743					2,743

TOTAL EXPENDITURES	648,624	74,524						723,148
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	732	37,259						37,991
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EAGLES MERE 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											
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

EAGLES MERE BORO, SULLIVAN County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

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	60,457	109,957	170,414
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	60,457	109,957	170,414

EMPLOYEE COMPENSATION

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

260,474

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the Municipality
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the EAGLES MERE BORO have audited, adjusted and settled the various funds and account groups of the EAGLES MERE BORO for the year ended December 31, 2022. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of EAGLES MERE BORO for the year ended December 31, 2022, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed:

Subscribed and sworn to before me this 1 day of January, 1.



Signed: _____

Witness (Controller)/Auditor (Auditors)

December 31, 2022

NOTES / COMMENTS