

**BOROUGH OF EAGLES MERE, PENNSYLVANIA**  
ANNUAL AUDIT AND FINANCIAL REPORT  
2023



## **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 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, 2023, included in the 2023 Municipal Annual Audit and Financial Report (Schedules) of Borough of Eagles Mere, Pennsylvania (Borough).

#### **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 the financial position of the Borough as of December 31, 2023, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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, 2023, 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).

#### **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  
June 10, 2025

# **2023 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT**

**570153 EAGLES MERE BORO, SULLIVAN COUNTY**

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**EAGLES MERE BORO, SULLIVAN 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	246,379	23,819						270,198
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	27,217							27,217
310.20	Earned Income Taxes / Wage Taxes	25,061							25,061
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: _____								
<b>Total Taxes</b>		298,657	23,819						322,476

Licenses and Permits									
320-322	All Other Licenses and Permits	50							50
321.80	Cable Television Franchise Fees	6,518							6,518
<b>Total Licenses and Permits</b>		6,568							6,568

Fines and Forfeits									
330-332	Fines and Forfeits	119							119
<b>Total Fines and Forfeits</b>		119							119



**EAGLES MERE BORO, SULLIVAN 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	23,005	7,534						30,539
342.00	Rents and Royalties								
<b>Total Interest, Rents and Royalties</b>		23,005	7,534						30,539

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								
<b>Total Federal</b>									

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)	847							847
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		54,247						54,247
355.04	Alcoholic Beverage Licenses	150							150
355.05	General Municipal Pension System State Aid								
355.07	Foreign Fire Insurance Tax Distribution	7,272							7,272
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	13,224							13,224

**EAGLES MERE BORO, SULLIVAN County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

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**REVENUES**

State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
<b>Total State</b>		21,493	54,247						75,740

Local Government Units									
357.03	Highways and Streets	91,648							91,648
357.00	All Other Local Governmental Units Capital and Operating Grants								
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	230,065							230,065
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
<b>Total Local Government Units</b>		321,713							321,713

Charges for Service									
361.00	General Government	7,283							7,283
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.)	1,560							1,560
364.30	Solid Waste Collection and Disposal Charge (trash)	78,089							78,089
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		18,053						18,053
368.00	Airports								

**EAGLES MERE BORO, SULLIVAN 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								
379.00	All Other Charges for Service								
<b>Total Charges for Service</b>		86,932	18,053						104,985

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	50,226	63,341						113,567
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues	14							14
<b>Total Unclassified Operating Revenues</b>		50,240	63,341						113,581

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition	5,600							5,600
392.00	Interfund Operating Transfers	521							521
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, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
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**REVENUES**

Other Financing Sources									
395.00	Refunds of Prior Year Expenditures								
<b>Total Other Financing Sources</b>		6,121							6,121

**TOTAL REVENUES**

814,848	166,994							981,842
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**EXPENDITURES**

General Government									
400.00	Legislative (Governing) Body								
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	9,285							9,285
403.00	Tax Collection	7,602							7,602
404.00	Solicitor / Legal Services	8,671							8,671
405.00	Secretary / Clerk	35,444							35,444
406.00	Other General Government Administration	14,288							14,288
407.00	IT-Networking Services-Data Processing	6,168							6,168
408.00	Engineering Services	2,232							2,232
409.00	General Government Buildings and Plant	7,867							7,867
<b>Total General Government</b>		91,557							91,557

**Public Safety**

410.00	Police								
411.00	Fire	21,744	23,298						45,042
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	2,857							2,857

**EAGLES MERE BORO, SULLIVAN 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	10,321							10,321
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								
<b>Total Public Safety</b>		34,922	23,298						58,220

Health and Human Services									
420.00-425.00	Health and Human Services								
<b>Total Health and Human Services</b>									

Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)	17,818							17,818
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection	157,046							157,046
<b>Total Public Works - Sanitation</b>		174,864							174,864

Public Works - Highways and Streets									
430.00	General Services - Administration	109,836							109,836
431.00	Cleaning of Streets and Gutters	2,100							2,100
432.00	Winter Maintenance – Snow Removal	4,887							4,887
433.00	Traffic Control Devices	304							304
434.00	Street Lighting	12,033							12,033

**EAGLES MERE BORO, SULLIVAN 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	930						930
437.00	Repairs of Tools and Machinery	4,976						4,976
438.00	Maintenance and Repairs of Roads and Bridges	3,267						3,267
439.00	Highway Construction and Rebuilding Projects	178,137	56,000					234,137
<b>Total Public Works - Highways and Streets</b>		316,470	56,000					372,470

### **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							
<b>Total Other Public Works Enterprises</b>								

### **Culture and Recreation**

451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation	14,484	59,806					74,290
454.00	Parks							

**EAGLES MERE BORO, SULLIVAN 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								
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
<b>Total Culture and Recreation</b>		14,484	59,806						74,290

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								
<b>Total Community Development</b>									

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								
<b>Total Debt Service</b>									

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	36,310							36,310
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions								

**EAGLES MERE BORO, SULLIVAN 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	8,897							8,897
487.00	Other Group Insurance Benefits	61,121							61,121
<b>Total Employer Paid Benefits and Withholding Items</b>		106,328							106,328

Insurance									
486.00	Insurance, Casualty, and Surety	22,596							22,596
<b>Total Insurance</b>		22,596							22,596

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures								
<b>Total Unclassified Operating Expenditures</b>									

Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers		521						521
493.00	All Other Financing Uses								
<b>Total Other Financing Uses</b>			521						521

<b>TOTAL EXPENDITURES</b>	761,221	139,625							900,846
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	53,627	27,369							80,996
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EAGLES MERE 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

**EAGLES MERE BORO, SULLIVAN County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	3,491		3,491
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	8,280	229,561	237,841
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	11,771	229,561	241,332

**EMPLOYEE COMPENSATION**

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

301,753

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

**SIGNATURE AND VERIFICATION**

Signed: Thomas P. McMahon Appointed Auditor/CPA

December 31, 2023

**NOTES / COMMENTS**